

The departmental budget review reconvened on April 11, 2014 at 10:31 a.m., and proceeded as follows:

Department of Liquor Control

Honorable Mason K. Chock, Sr.
Honorable Gary L. Hooser
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro, Council Chair

Excused: Honorable Tim Bynum
Honorable Ross Kagawa

Chair Furfaro: Okay, we are back from recess on our budget period. This is now April 11th, and the order of today we start at 10:30 a.m. I have just had back-to-back sessions with Mr. Rapozo and Mr. Rapozo and Mr. Rapozo. So Mr. Rapozo from Liquor Control is here.

Mr. Rapozo: I guess Mr. Chair, if I may make a disclosure that yesterday Mr. Rapozo is not related to me, but today the Mr. Rapozo up there is my older brother. Just for the record.

Chair Furfaro: We are glad to have you here, Mr. Rapozo. So I am seeing a few people in the audience, but nobody wanting to give testimony this morning. So on that note I will turn over the Department of Liquor Control review by suspending the rules and let Mr. Rapozo make his presentation and, by the way, I know I have told you this before, but I will tell you again, congratulations on your new leadership role.

GERALD T. RAPOZO, Director of Liquor Control: Thank you.

Mr. Rapozo: Again, point of personal privilege for the general public watching that the Director of Liquor Control is selected by the Liquor Commission, not by the Council, not by the Mayor, by the Liquor Commission. I just wanted to make sure.

Chair Furfaro: Very good point. Okay, sir, you have the floor.

Mr. G. Rapozo: Good morning, Council Chair, Councilmembers. I am Gerald Rapozo with the Department of Liquor Control. Thank you for this opportunity to go over our budget for Fiscal Year 2014-2015. I will just read briefly our budget presentation. I will start with the mission of Liquor Department is to protect the health, safety, and welfare of the residents of the Kaua'i by effectively and fairly enforcing Federal and State Laws and County Liquor Rules as they apply to the manufacture, sale, and distribution of alcoholic beverages. Successes and achievements, we conducted regularly scheduled compliance checks that kept non-compliance rates low. Non-compliance rates on on- and off-premise rates were lowered from 23% in 2012 to 20% in 2013 which is less than the national average which is about 24%. It is not great, but it is okay. We supported Life's Choices Kaua'i on initiatives to reduce underage-drinking by attending district town hall meetings and participating in the Health Fair and distributing information. Some of the improvements include greater transparency of the Department information, developing better data collection systems regarding under aged contact with alcohol, and better access

to Department information through our website. Challenges, maintaining investigative safety and security in the working environment by scheduling investigators to work in teams when possible, educating the public and teens on danger of high alcohol content products. Research shows that minors are having their first alcoholic beverages at a younger age. Some of the advertising is more geared towards young people. On the other challenges, monitoring and implementing legislative bills regarding alcohol. Legislative bills are posted at the last-minute and we do not have time to respond to some of those bills that come up all of a sudden.

Our goals and objectives, reduce the availability of alcoholic beverages to minors from liquor license establishments, conduct semi-annual compliance checks of all premises, on all off-premise and on-premise licensees, to provide on-site training and education for all licensees, server training is very important and we have noticed licensees who got trained employees do not violate the rules, as much as places where they do not have trained employees. Again our goal is to maintain below 20% non-compliance rate on the compliance checks. One of the things that we have been doing this year is going back to the schools and we have been in contact with Mr. Arakaki and scheduling training sessions with the schools on under aged drinking. We will be ordering these drunk busters goggles that the kids use that simulate them being under the influence and they are given simple tasks like picking up a set of keys from the table and showing how difficult it is to do it using those goggles. Another thing we have been doing is getting laptop devices for the investigators so they can allow them to do reports and retrieve information while out in the field, so they do not have to come back to the Office to do their reports . Plus downloading information. Any questions on the budget presentation? Pretty much what increased were the salaries, due to negotiated pay raises, and what we plan to do is reallocate the positions because of succession. Right now our Department we have seven employees including me. In the next year and a half, five of us can all retire, and the two remaining...

Chair Furfaro: Say that again? In the next how many years?

Mr. G. Rapozo: Year and a half we all will be able to retire. The two remaining investigators currently have less than four years between all of them. Because we are a small Department, it will be difficult to get them to the level to take over when the time comes.

Chair Furfaro: So Mr. Rapozo, in the seven there is yourself, is it four inspectors? One Deputy and one clerical?

Mr. G. Rapozo: Yes, we have...we are set up for four field investigators. We have one supervising investigator, myself, then we have a Commission Secretary and a Senior Clerk.

Chair Furfaro: Okay. In the past year have we found ourselves citing any licensees with significant and I mean "significant" even the threat of suspending their license?

Mr. G. Rapozo: The beginning part of this year we did the compliance checks and we had...I think a total of 11 violations. So few of them were adjudicated last week and probably the next two meetings we have violation hearings coming up.

Chair Furfaro: Were they retail outlets or bars or restaurants?

Mr. G. Rapozo: So far this year we did one retail store operation and three for the restaurants and bars.

Chair Furfaro: Questions, JoAnn you have the floor.

Ms. Yukimura: Yes. Thank you, Gerald for your report. You said earlier this year you did these compliance checks?

Mr. G. Rapozo: Yes.

Ms. Yukimura: And you had 11 violations?

Mr. G. Rapozo: I am not sure the exact...

Ms. Yukimura: That would be year 2014 record, right?

Mr. G. Rapozo: Yes, it is not in here.

Ms. Yukimura: Is this on or off-premise?

Mr. G. Rapozo: One was for retail stores off-premise and three so far for on-premise, restaurants, and bars.

Ms. Yukimura: I was going to ask you the difference between on and off-premise. Retail is considered off the premise, where open liquor is being sold?

Mr. G. Rapozo: You purchase the liquor from the store and consume the liquor off-premises and on-premise you consume on-premises.

Ms. Yukimura: Thanks. If you go by your 2013 checks for off-premises...actually in both cases 2011, 2012 or 2013 is either remaining the same or going up...but for our on-premises, you went down from 16 to 4. Do you check the same number of premises every...

Mr. G. Rapozo: What happens is that we submit our list of licensees to the University of Hawai'i Office of Public Health Studies and submit the licensees and their computer selects who we visit.

Ms. Yukimura: I see.

Mr. G. Rapozo: Usually because Kaua'i is so small, usually during the compliance check term, usually all of the licensees get checked.

Ms. Yukimura: Okay. But like in 2012...on your on-premises list, in 2012 you had 74 licensed premises inspected and then you had 29 in 2013. That is a really big difference.

Mr. G. Rapozo: What happened is that it depends on the contract. So I think that year they concentrated more on the off-premise sites and did not check as much.

Ms. Yukimura: I see. I am just wanting to make sure that we are comparing apples-to-apples, when we look at whether we are being successful or not? I do recall and I hope it is not on my desk. There was an article there the NACo magazine, the National Association of Counties, talking about a very effective compliance check process and I thought I sent it to you folks. Maybe it was prior to you taking the head position. I can try to check my record because otherwise it is in my office in a to-do pile. They described a system that really cut down.

Mr. G. Rapozo: Nationally there is a whole bunch of different ways of doing compliance checks. Like in Hawai'i, they cannot lie. So the minors have to tell you the truth and if they are asked how old they are, they have to be honest and cannot use fake IDs. Some of the programs on the mainland they can lie and use fake IDs. That is why in Hawai'i we want to stay away from that.

Ms. Yukimura: Yes. Then your thing with the goggles, does it not make the kids think it would be fun to be drunk?

Mr. G. Rapozo: With the studies no, they think it is no big deal and they are acting normally. They think they can do anything. They think they can walk the straight line or pick their keys up from the table and they realize it is not that easy.

Ms. Yukimura: Well that is good if it really makes them more aware. Because kids can be pretty unaware. The law allows the Liquor Commission to use a certain percentage of its penalties for underage drinking. So that amount was set aside this past year, yes?

Mr. G. Rapozo: Yes.

Ms. Yukimura: And it went where?

Mr. G. Rapozo: That money was not touched really.

Ms. Yukimura: It was not?

Mr. G. Rapozo: The State Law allows that 10% of the fine money collected for the year can be used for enforcement or public educational purposes or enforcement.

Ms. Yukimura: Right. So how much is that money approximately every year?

Mr. G. Rapozo: Roughly that 10% would be \$3,000.

Ms. Yukimura: You keep it in a separate account?

Mr. G. Rapozo: Yes, it is in a separate account.

Ms. Yukimura: Do you have a program for utilizing or you wait for proposals?

Mr. G. Rapozo: What has been done in past, the money in the fine account, besides the 10% that can be used for public education and enforcement, that money can only be used for the education of the licensees', staff, and Commissioners.

Ms. Yukimura: The 10%?

Mr. G. Rapozo: Yes the overall. The penalty fines. So that is totally separate from the liquor fees and fines and that money can only be used for training of the employees, the Department employees, Commissioners, or the licensees themselves. Up until now we have not touched that fund.

Ms. Yukimura: The \$3,000 that you set aside of the penalties, right? In general the penalties can be used only for education of your licensees?

Mr. G. Rapozo: Correct.

Ms. Yukimura: But the \$3,000 that you set aside can be used for?

Mr. G. Rapozo: For enforcement programs or public educational...and that is where some of the money that we will be giving to Life's Choices for their functions, public education will come from.

Ms. Yukimura: Thank you.

Chair Furfaro: I want to hear that again. That is the money you use when you partner with Life's Choices?

Mr. G. Rapozo: That is the plan.

Chair Furfaro: Okay. Vice Chair Chock.

Mr. Chock: Gerald, thank you for your presentation. So pretty interesting, you are going to have a turnover real soon in your Office, at least the opportunity for that to occur. I am sure there is a succession plan that you have in place.

Mr. G. Rapozo: It is very hard because of the size of the Department. That is a problem. Our secretary, if she plans to retire shortly, I would not want to be the person filling her shoes, because she pretty much does everything. I am working...I have to talk to HR, because how can you get somebody to at least learn? Because that position, besides being the Commission Secretary, she is the Fiscal Officer and she does everything. So the person who comes into that position it is going to take a while to get comfortable.

Mr. Chock: Just from the standpoint of the budget, I am thinking about what kind...trying to foresee what kind of impacts that might have? Do we foresee an increase in need in order to build that foundation of the next people come on board or maybe it is a restructuring of it that might alleviate some of the budgetary needs? I just wanted to hear more about your foresight on that?

Mr. G. Rapozo: It could. That is the thing, when the time does come, like I can always call my old Director and pretty much it is the succession will be a

phone call away, because learning the position...I was fortunate that years before my supervisor, Dexter Shimatsu retired, he had me doing things, licensing and all of those kind of things that were not in my job description, but he had me doing certain things so when he retired it was a comfortable transition. Same thing when Eric Honma retired he had me doing some of the things. So for me I was fortunate. The next people will not be as fortunate.

Mr. Chock: So I know there are some programs and we talked about them yesterday with KWIB and for instance there is this grant that OED will be applying for. Do you do any partnerships with some of the KWIB programs as well?

Mr. G. Rapozo: What program is that?

Mr. Chock: It is the Workforce Investment Board. Kaua'i Workforce Investment Board. They have some youth segment programs that I know worked not only in partnership with Life's Choices, but in terms of building life skills that people need, in their employment or on the track to higher education and so forth. So I was just wondering and there seems like there might be more partnership or outreach in terms of the messages that you folks advocate for are so important. This is a generational epidemic when we talk about alcoholism and the culture that we have here on this island. I mean I am subject to it in my family as my kids and those before me also.

Mr. G. Rapozo: Definitely. The education, that is why going back to the schools. We were all brought up. We were the beer runners for our parents and grandparents. Go get a beer, go get a beer. That was something that was the culture. Up until a few years ago I was still doing that and finally realizing, hey wait a minute, that is illegal and that is where education, back in middle school and high schools might be too late, but that is there we want to start.

Chair Furfaro: Go ahead, JoAnn.

Ms. Yukimura: Gerald, where is that line item for the percentage of your penalties?

Mr. G. Rapozo: It is not on the budget.

Ms. Yukimura: So what you are getting is about \$3,000 a year?

Mr. G. Rapozo: Roughly.

Ms. Yukimura: Because it does depend on how much you take in or actually it is how much you rule in terms of penalties owed, right?

Mr. G. Rapozo: Yes.

Ms. Yukimura: Your Commission?

Mr. G. Rapozo: Correct.

Ms. Yukimura: But it is roughly \$3,000 per year?

Mr. G. Rapozo: Last few years we have been collecting roughly \$30,000 in fines.

Ms. Yukimura: Okay.

Chair Furfaro: Excuse me, may I follow-up, Gerald you do budget a line item that says what you anticipate fines to be, right?

Mr. G. Rapozo: No.

Chair Furfaro: You do not? Is that right, Ernie Barreira?

ERNEST W. BARREIRA, Budget & Purchasing Director: I am searching Chair.

Chair Furfaro: Because even though the portion that actually goes back into retraining and so forth, I would think we would forecast a line with what we anticipate fines to be.

Ms. Yukimura: Then you would forecast the expenditures of that line item, too. Gerald could you give us a five-year record of the fines that you have imposed or the Commission has imposed? And the expenditures from those fines? Whether it is training of the licensees or anti-underage-drinking moneys, public education? You have only been on board for three months, two months.

Mr. G. Rapozo: Since August.

Ms. Yukimura: Okay. Six months. So I recognize that you may not know it off the top of your head. If you could, that would be helpful.

Chair Furfaro: So if you could, Ernie, we want to make sure that we go back five years and see what the fine trend has been and maybe we should show that? I am sorry, JoAnn you still have the floor.

Ms. Yukimura: That is all I have. Thank you.

Chair Furfaro: Other members? Questions? Looks like you had a pretty big success your first time up. Our next session is not scheduled until 11:30 a.m. I want to prep for that and can recess until the County Attorney comes back in. Thank you Gerald and congratulations

There being no objections, the Committee recessed at 10:52 a.m.

There being no objections, the Committee was called back to order at 11:32 a.m., and proceeded as follows:

Office of the County Attorney

Honorable Mason K. Chock, Sr.
Honorable Gary L. Hooser
Honorable Jay Furfaro, Council Chair
Honorable Ross Kagawa
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura

Excused: Honorable Tim Bynum

Chair Furfaro: We are calling the meeting back from recess and starting with our presentation on the County Attorney's Office, but before we go any further I have asked Scott to make an overhead presentation. No real commentary, but Al, this is the follow-up on my first September 6th memorandum, regarding managing Special Counsel funds. Then followed by my February memorandum, but since you have all of your staff in the audience, I wanted to have my presentation made along with Mr. Barreira here, so that we have all seen the presentation together, and you can give me some feedback. Because what Scott is going to present to you is exactly like I said in my September 6th memorandum, a system I would like to make sure that we do not go through what we did on Wednesday with coming to a very narrow vote on giving you additional money. We need to have a system in place and this is my recommendation. Scott, thank you. I hate to put you in the spot, but I would like you to present the plan on replenishment of Special Counsel funds.

SCOTT K. SATO, Council Services Review Officer: Council Chair, Councilmembers, Scott Sato, Council Services Staff. As Chair has shown you previously for Fiscal Year 2011-2014 the budget for the Special Counsel account in the Office of the County Attorney has been reduced. He clarified that there are two separate processes and that we should not confuse these two processes. First is that the Council's approval to authorize Special Counsel, which is usually done via a communication with an Executive Session briefing. The second is the actual payment of Special Counsel invoices from the Special Counsel budget and this is handled by the Office of the County Attorney via the Special Counsel account within their Office. This flow chart, pretty much highlights the process. In the beginning of every fiscal year we approve the operating budget ordinance, which pretty much fills up their pot to pay Special Counsel invoices. Once they go through these funds from this account, the pot becomes empty. The only way that they can replenish that is via a supplemental money bill to pay these invoices. This is the first process that is highlighted. The Council approves Special Counsel and the County Attorney is able to pay their invoices via the approval process. This is the second process which we just recently went through with Bill No. 2531, which is the replenishment of the Special Counsel account. So if the pot becomes empty, you need a supplemental money bill to replenish that account so that the Office of the County Attorney is able to pay invoices that come in from the various Special Counsel. In simplistic accounting terms, in the beginning of the year you have your budget appropriation. You subtract the invoices as they come in and as they are approved. If you run out, if you get down to the zero total they need had a supplemental money bill to replenish that account, which yesterday the \$500,000 was approved by the Council. This is the Special Counsel contract, which is being used by the

County of Kaua'i. Section D states that in no event shall the County pay Special Counsel more than the total of "X" number of dollars. This is the legal part of it. I guess from the Council, or from Council Chair Furfaro he is asking moving forward that the Office of the County Attorney accurately budget their Special Counsel needs via this process. The Council is requesting that the Office of the County Attorney actively manage Special Counsel contracts and obtain approval for additional Special Counsel funding as soon as possible, I believe there was a 65% threshold that was thrown out and lastly, that the Council is aware that halting contracts mid-case puts the County under additional risk. However, Office of the County Attorney should ask for funding as early as possible to prevent exceeding established contract amounts. This is the form that Council Chair Furfaro and the Council has sent over to the Office of the County Attorney. It is a Litigation Plan and Budget that was recommended by Peter Morimoto, Legal Analyst with our Office. It is just a recommendation and I know that First Deputy County Attorney Mauna Kea Trask has already indicated that he is planning on utilizing a version of this form integrated with some other recommendations from the insurance company. That is pretty much it. Thanks.

Chair Furfaro: Al, I do not plan to have a lot of discussion about this right now. I want to make sure that after Wednesday and I do not know if you know or not, but I had to plead with one Councilmember for replenishment and all the Councilmembers made very good points. But the Litigation Plan and Budget is outlined in a format that Mr. Morimoto went through with me and I would like to get some comments on it and the cash flow happens to come from understanding business and then having a very fine financial guy available on our Staff with Scott and some of the things that I wanted to accomplish. This does not need to be finalized right now, but I want something agreed upon. I felt very badly, I sent it over in September. I got no responses. Sent it over again in February, we ran out of money and then we had a very challenging Special Counsel meeting. We need to come to an understanding on policy. Money, let me tell you, I understand. If I could get some buy-in. Or if I can get some commitment, it would really help us, but it starts, as I said, from making sure that we do not undercut our budget knowing that we cannot accomplish that. I think that was part of the problem this year. We were told we were going to reduce some amounts. We were told we were going to handle possibly some with a special litigation team that was going to save us money, but it worked against us in this case. So if I could just get some acknowledgment on what I am doing here, that I could hear back from you folks, I would sincerely appreciate it.

ALFRED B. CASTILLO, JR., County Attorney: Good morning Council Chair, Councilmembers. Council Chair, for the most part, I certainly agree, but can I please reserve my comments and my answers to what you have just said during my presentation?

Chair Furfaro: I am not expecting you to comment on it in your presentation. I want to make sure this is the third time that I am visiting this, I want to make sure that someone is going to take me seriously. Never fool with Mother Nature.

Mr. Castillo: We always take you seriously, Council Chair.

Chair Furfaro: Thank you.

Mr. Castillo: Thank you.

Chair Furfaro: It was distributed to all members, but we will wait to hear commentary from you. Thank you, Scott. This will be for you to make your presentation. I do not know who is doing your presenting.

IAN K. JUNG, Deputy County Attorney: Good morning Council Chair, members of the Council, Deputy County Attorney Ian Jung for the record. I think what we want to do here is just give you a perspective of what our budget synopsis is this year. You guys have the facts and figures before you, but we kind of want to look at specific terms in what we are looking at and bring up the Deputies assigned to various Departments.

Chair Furfaro: Can I ask you one thing?

Mr. Jung: Sure.

Chair Furfaro: Please do not refer to the Council as you guys. I have shared this with you before. Years ago we had two ladies that made up the Council. We have a lady at the table now. Please do not refer to us as you guys. Refer to us as members.

Mr. Jung: Sure. I apologize for that. I will try to turn off my generational issue here and look at you as members. My apologies Council Chair. As a way of an outline what we want to take a look at first the budget projections in the overview for this Fiscal Year 2015 and the role of the County Attorney as well as the Deputies that are assigned to various Departments. Then take a look at the picture of what the competitive legal structuring and examples are in terms of how other municipalities will look at structuring their legal team. Lastly, why we want to formalize a litigation team respective in our County.

Looking at the budget projection, you see where there "salaries and wages" what we propose is for a new litigation Deputy and the 9.3% increase looks at those additional salaries and wages attributed to that particular Deputy. The benefits are compounded only in a 1.2% increase this year. Utilities and I think when the Office of Economic Development comes up they will explain why the utility rate is increasing to a point of almost 22% this year. Then obviously we do not have the vehicle equipment issue and for "operations" there seems to be a significant jump of 31.5%. But inclusive of that is a jump of \$115,000 for Special Counsel funds which is the reason that jumped significantly to 31.5%. As compared to FY 2014, which was set at a little over \$500,000. So looking...rounding out the numbers and looking at what the percentage increase is going to be in total is going to be 13.1% from FY 2014 to FY 2015.

So the content of our discussion before you today is essentially going to be a way to propose the reorganization of the Office, as well as the creation of a litigation unit. The budget increase is primarily centered on how to create this litigation unit. The support that our Office has gotten to look at how we are going identify and create a litigation unit came from not just from our requests, but also from a review by the Cost Control Commission, which recognized the importance, as well as the financial benefits and advantages to why a litigation unit is critical so just to bring us aligned with the other Counties throughout the State of Hawai'i. So the role of the County Attorney and his Deputies, we have some stats here which are also presented in our budget presentation. We have appearances in court, a total of 304 cases and our Deputies staff Boards and Commissions and draft legal opinions from not only the Council, but various Departments. We review all contracts and you can see the figures there. Review all legal documents, which are certain memorandum of

understanding and things like that. Review all conveyances, which are land conveyances, such as easements or sales of land. Review of miscellaneous documents such as legislation, permits, entitlements, conditions to entitlements, and things of that nature. Our Deputies are on-call for Departmental inquiries, of various Departments or the staff members that have pressing questions that need addressing. Then we also provide training to the County employees and officers with regard to Sunshine Law and parliamentary procedure. I think what we want to do know is introduce the various Deputies and who they are assigned to.

I will start. As I informed you guys my name is Deputy County Attorney Ian Jung. I was born and raised on Kaua'i. I went to Kapa'a School. I have three children, friends and family throughout the island. My role in the Office is to deal with land use matters and to assist with Public Works. So in dealing with land use matters I staff three commissions, the Open Space Commission, Historic Preservation Commission, as well as the Planning Commission and obviously come before the members to deal with various land use issues, conveyances, and legislative bills that affect the CZO and Subdivision Ordinances. I also provide training now through the Boards and Commissions to educate our Commission members on Sunshine Law issues, parliamentary procedure and looking at how to effectively run meetings, to a point where we can have effective decision-making by our Boards and Commissions. I know you see a lot of me on the controversial issues that come before you because the land use issues get quite controversial, but we are people behind the doors here that do work other than appearances before you. So all of these things here listed are the other things that we do than appear before you. I will call up Mona.

Chair Furfaro: Will this slide continue to change or should I permanently move myself? It is not going to change?

Mr. Jung: They will follow-up.

MONA W. CLARK, Deputy County Attorney: Hi I am Mona Clark, Deputy County Attorney. I just wanted to start with giving you a brief background on me. I started out as a legal services attorney because I have a firm commitment to social justice and that was, in fact, the only reason I went to law school. I then went into oil and gas, both working for major oil and gas companies, Standard Oil, and then into private practice. I was heavily involved in contract negotiations and drafting. I subsequently got my MBA in Finance and went back to work for a major Fortune 500 company where I was involved in drafting \$50 million acquisitions, as well as the divestiture of \$250 million divisions. So I have a very strong background in contracts and negotiations and that area. I then went into my own business. I had an audio book business both online and bricks and mortar. But it gives me an understanding for how small business owners feel and their concerns. I then moved to Kaua'i. I took the Bar again 30 years after I took it the first time. Passed and came to work for the County. I have really enjoyed working for the County because I think the County provides some amazing services for the population. I am particularly pleased to have worked with the Housing Department, in the acquisition of property in 'Ele'ele and also I worked on the Rice Camp before I left. I have also been involved with the bike path and those are all things that I think have provided me the opportunity to support our Department in very important ways. I think I have strong feelings that the public trust that is given to us as officials of the County needs to be supported and I am very committed to that. I think as you can tell from my background, the efficient use of my time is in drafting negotiations contracts. Those sorts of areas. If I go into court, which I have done and can do, I do not provide the same level of expertise that somebody who is devoted their career to that so I think that the litigation division is something that is very

important for the County in order to effectively utilize the resources that we have in our Office. That is very much it. I am pleased to be back here and being able to provide services to you all.

Chair Furfaro: Thank you very much, and Mona, let me just say, we are very pleased you are back.

Ms. Clark: Thank you.

Chair Furfaro: Did you have something, JoAnn?

Ms. Yukimura: I just wanted to ask procedurally...not to Mona, but if we could have two attorneys at a time to cut down on the walkup and walk-down, Chair.

Chair Furfaro: Excellent recommendation.

NICHOLAS COURSON, Deputy County Attorney: Good morning Council Chair, Vice Chair Chock, Councilmembers, Nick Courson, Deputy County Attorney for the record. I was born here in Waimea. I lived on Kaua'i until I was 10. My mom remarried and I was dragged to the Midwest where I froze for 20 years. Always wanted to live back on Kaua'i. Right out of law school, I took the bar in Illinois and Hawai'i. I passed it in both places and sought a job here. I am very pleased to say that I have been here the past year and really enjoying myself. I am assigned primarily to the Kaua'i Police Department but also to Civil Defense and the Board of Ethics. Board of Ethics is pretty basic for me. By in large, I pretty much research outside law to help them interpret what our Code of Ethics mean. They do not need much help there but they do sometimes need Constitutional questions or State law questions. Civil Defense is also pretty basic. They are great to work with and bring a lot of grant money to the County. My hats off to them on that. I help them with their contracts and MOUs with other Agencies like the Civil Air Patrol, our leases for our emergency communications equipment, radios, etc. Civil Defense is one of my better victories this year. Working with Civil Defense and IT, we did a ten year maintenance where we saved the \$850,000 over the next ten years. That was great, I do not get the recognition they deserve for all of that. That was a lot of hard work on their part. I came in at the end to hammer out the agreement. The majority of my time is spent at KPD. I am basically counseling and drafting for them. I really love working with them. There is a lot of energy over there and they are really trying to bring the Department up to speed. Chief Perry is doing an amazing job. Deputy Chief Contrades is a pleasure to work with every day. I work mostly with the Administrative Bureau so a lot with Acting Assistant Chief Gausepohl. For KPD I do contracts which is everything from their cars to drug testing, the psychological screening that they put applicants through, and all of that. MOUs which can be for our armories that we use as substations or with sister agencies like the Sherrifs or DLNR to delineate who is going to do what. Employment is a huge thing, particularly dealing with powerful unions like SHOPO, they are also great to work with. It is definitely something that keeps you on your feet. Policies as the members know we are moving towards getting accredited for CALEA Accreditation that takes a lot of revamping of all of the policies and creating many new ones. It is a big ticket item and take a lot of energy. It is safe to say that KPD gets the most UIPA requests and the public is very interested in Police records and they are subpoenaed...we get evidence issues, and firearms is a bigger issue than I ever thought it would be before I started. So I spend the majority of my time doing that. I also pick up random assignments that do not fit into any particular Deputy's categories. So we all take our fair share. So it is my goal to be diligent, courteous,

amenable, and I really enjoy working with KPD and all of my other Departments. In terms of the litigation team as a counseling and drafting Deputy, it would not directly benefit me, but I think from working with KPD that I can safely say that it will benefit them. We do have at least one major lawsuit against KPD right now. We have others on the horizon. Having in-house attorneys that can deal with them would only be a benefit and I am very helpful in the discovery process because I know exactly who to go to, to get stuff. It is easier to do stuff in-house and that would be my take on litigation team. Jodi is up next.

Chair Furfaro:

Thank you and welcome home.

JODI A. HIGUCHI SAYEGUSA, Deputy County Attorney: Hi my name is Jodi Higuchi Sayegusa. I have been a Deputy County Attorney here for about three years. Originally from Oahu. I moved here with my husband, who is born and raised on Kaua'i. His family...my understanding goes pretty well way back from plantation days, came over to Kaua'i and settled. His parents are both teachers on the west side. Travis' dad was Patrick Sayegusa, was a teacher at Waimea High School for 30+ years and his mom was a teacher at 'Ele'ele School for 30+ years and still volunteers her time over there. So I guess it was always a priority and dream for Travis to move back here and so we moved back here to start a family and really growing roots here for me personally. I went to law school with a strong interest in public interest law. I worked at Legal Aid previously and prior to applying to law school. You know, I became interested in municipal government work just because of the variety of issues that we may face and it is really a challenge. It is also a way to serve the public. So I am very happy to have an opportunity to come here and serve as a Deputy County Attorney. I represent the Department of Public Works, which is probably the biggest Department here within the County. They have seven Divisions including the Administration. There is the Administration, the Auto Shop, Building, Engineering, Highway, Roads, Solid Waste, and Wastewater. Each Division has specific projects and needs and various legal issues that come up on a day to day basis. Any one of their projects involve contracts or issues that come up, that really take up all of my time on a daily basis. That is through E-mails, formal assignments, conversations outside. For instance, I know Public Works came on Wednesday and talked about the Piikoi renovation project that involves a lot of professional services contracts and procurement issues and those types of things that I do, as well as Resolutions for roadway parking changes, conveyances. We face a lot of claims of course, Public Works is such a large Department so there are a lot of claims that come in, like our tort cases, potholes, trees and those types of things. Collections. I will have to deal with a lot of the sewer collections and wastewater for wastewater, tipping fees, and those are actively going into court and collect and enforce on delinquent accounts. Of course, this past Wednesday, we talked about things like our permitting and NPDES permits that unfortunately issues come up with that. So Public Works alone there is a whole host of...a whole range of topics and law specialties that I have to study up and learn and deal with anywhere from Admin procurement, torts, environmental and transactional law. It is a lot. I like the challenge, and it is a great experience, but unfortunately, my time is very limited and compiling that with having to do a lot of these bigger litigation cases would really be difficult and take away from a lot of the attention that I would like to spend with each of the Divisions and to service them most effectively. So really the litigation team would be invaluable, especially for me and the rest of us to be able to service Public Works and the rest of our Departments most efficiently and well. That is all I have to say. Thank you.

ANDREA A. SUZUKI, Deputy County Attorney: My name is Andrea Suzuki, born and raised in Kailua, Oahu. Went away to Iowa for undergrad. Came back to UH for my masters. I went back to Iowa for law school and upon graduating my husband informed

me that were going to move to Kaua'i. We have been here since 2008. I always had an interest in public service when it related to my law degree and externed for the Native Hawaiian Legal Corporation and for the Federal District Magistrate Kevin Chang. When I was informed that we were moving to Kaua'i I got an clerkship with the Honorable Kathleen Watanabe. Upon the ending of that clerkship, I took the job here at the County. I have been here now, almost going on five years. The main Department I serve is the Department of Water and Board of Water, which is its own little entity in itself that has a breadth of issues because they do their own financing and what not. I also fill in the spaces that the County needs me to fill into. So you have seen me up here for birds, a really big project and then new pet project is updating all of the things in the County that have not been updated for the past several decades. So right now we have put together a contract team. We are going to try to streamline contracts, make them Adobe fills and then our main goal is to revise our general provisions for all our contracts that have not been done since the 1970s. It is one of the major projects that I did at the Water Department and took a year and a half for the general provision construction contracts. So any typical day I can sit down on a telephone conference with people across the nation, and I have to know my biology on endangered species, hang up the phone, review procurement processes, and contracts and at the end of the day find out how we are going to fund our water infrastructure expanse? So we are required to be experts in everything and when litigation comes along, it is a challenge to have to be expected from our clients to have that expertise in all of these things, and then do something as time-consuming as litigation. So I think that our boss has a really good idea going forward that could be beneficial for our clients.

Chair Furfaro: I have a question for you?

Ms. Suzuki: Yes.

Chair Furfaro: I am sorry, first of all to both ladies that have recently been up, soon you will be taking time away from us with your new families congratulations.

Ms. Suzuki: It is just a really good brunch meal that we had. We will be fine.

Chair Furfaro: Over in the Department of Water, how much experience do you have with bond counsel?

Ms. Suzuki: Actually the Department of Water cost shares with the County's bond counsel. So we pay a proportionate share of that amount.

Chair Furfaro: I understand what you pay. For the Council, I was on the visits with the Bond Counsel, I want to know how much experience you have with bond consultation as the County Council even though it is ad hoc division over at Water, we are the underwriters of the bonds for the Water Department.

Ms. Suzuki: Right.

Chair Furfaro: So do you follow much of that financing and project management that is going on right now over at the Water Department?

Ms. Suzuki: Yes. So we have certain requirements under the bond issuance, in fact, on our next agenda we have an amendment to a resolution for bond

projects. When projects come through, I do participate in all of the conversations on whether the projects meet the requirements of the bond issuance and what not. So I was there during that \$40 million spend-down that the Department did in two years and that was a big task to make sure we were in compliance with the bond and to make sure we were in compliance with procurement and all that other stuff.

Chair Furfaro: I might visit when you have that on your agenda.

Ms. Suzuki: You are welcome to, next Thursday.

Chair Furfaro: Thank you.

MAUNA KEA TRASK, First Deputy County Attorney: Aloha honorable County Council, Chair, Councilmembers, my name is Mauna Kea Trask and I am the recent First Deputy County Attorney. Many of you know me already, known me since childhood and I have been in carpools with you. I have hung out all over the place. Those who do not know me, I was born in Oahu, while my father was in law school and I moved to Kaua'i when I was 3 years old. Although I was not born on Kaua'i, my family did originate from the Koolau area of Kaua'i, specifically Molokā'a and Waipake. I graduated from Kamehameha Schools in 1997, I received a Bachelor of Science in Anthropology from Oregon State University in 2001 with honors, and I graduated from the University of Hawai'i William S. Richardson School of Law in 2004. Not with honors but I did pass. I have been a licensed attorney since 2005. Throughout my career I have been a law clerk in both the First and Fifth Circuits serving the Honorable Judges Richard Perkins and the Honorable Kathleen Watanabe. I was her first law clerk when she was appointed to the Fifth Circuit. I worked at the Office of the Public Defender on O'ahu and the County of Kaua'i's Prosecuting Attorney's Office. For the past five years I have been a Deputy County Attorney. I am proud fourth generation Native Hawaiian attorney and I have chosen to come back to Kaua'i because of my strong sense of kuleana to this place and its people. Growing up in a legal family, my professional goal has always been to be amongst the elite litigators in the State. I have tried countless bench trials both as a criminal defense attorney and a prosecutor. I have tried ten jury trials both as a criminal defense attorney and again as a prosecutor. Working with the County over the past five years has been an enlightening experience, allowing me to diversify my practice and I have been very thankful for the opportunity, because being a County Attorney really allows you to help the most people at the same time and touches on so much things of just daily life in Kaua'i that I never really appreciated before. Although I am assigned formally to the Kaua'i Fire Department and the Kaua'i Liquor Department, as well as attending commissions and litigation, I really have become kind of a pinch hitter for anything that needs to be done in the Office. I review contracts of various Departments and I do legislative review for yourselves at Council, I do legal research and I also do litigation and I have been able to carve out a niche for myself to deal with any and all Hawaiian issues in the County which I very much appreciate. Some of those that I have been very fortunate to be a part of is the Kaneiōlōuma Project in Kōloa. Although not a Hawaiian project, the Black Pot expansion is something that I am very proud to be a part of. Also helping lineal descendants of original kuleana property tax and landowners to get their minimum kuleana tax bills, \$25.00 in order to keep them on their lands is something that I am particularly fond of. Also something I was able to do and to be creative and utilize Native Hawaiian traditional processes in modern-day legal regulatory action was a Section 106 process for the Lydgate to Kapa'a bike path Phase C and D. Really briefly what you have to do when using Federal funds as you all know you have to go through a consultation process pursuant to Section 106 of the National Historic Preservation Act. State and County Agencies have had a

notoriously difficult time, as well as consultants trying to accomplish that. It is really undefined as far as it pertains to Native Hawaiians and it will take months if not years to go through. Recently we went through Phases C and D consultation in six to eight months, and that is including two instances where two very prominent members of the Hawaiian community either got sick and one passed away. We were able to finish our 106 process at that time and about a month later, the State of Hawai'i DOT finished theirs and it took them six years. What we did was utilize Mary Kawena Pukui's hoo pono pono process as described in her book Nana I Ke Kumu and applied it to Federal regulatory law, which absolutely worked. Moving forward my focus has been on litigation. That is what I have always wanted to be. I looked up to my father growing up and that is what he did and my grandfather and great grandfather and came to the County Attorney's Office specifically for civil litigation experience.

I will present to you what the litigation unit will look like, can I get lights, please? In trying best to explain the litigation unit to you and begin with competitively legally structuring and giving you an idea what private law firms and large municipalities and medium and smaller municipalities structure their law firms. As was described to you by our Deputies we look to efficiently and effectively and if you look at private law firms they structure...they have numerous departments. They do tax, procurement, infrastructure, environmental, labor and employment, public utilities, land use, real estate and litigation. Like much of the modern economy, specialization is where it is at. This is particularly true in the legal field where you think of common-law going back thousands of years and every year you get innumerable cases that further define and redefine how the law is interpreted and, as well as more laws every year as you know. At the macro level you look at the largest corporation counsel office in the country which is New York City and they have an extensive amount of different departments all of which they focus primarily, if not exclusively on what they do. New York City's litigation is divided into affirmative litigation, which is civil regulatory regulate going after people for violation, etc. and general litigation, general defense. No Attorney's Office controls when and what kind of litigation their clients are exposed to, but what we do is deal with problems as they arise. This is looking within the State. The Third Circuit, Big Island's Corporation Counsel. We looked at this as the most comparable County to us in the State it is divided in half, counseling and drafting and litigation. Each of which, as you can see, they have either 7 or 8 Deputies, which is pretty much the size of our current Office. They have supervisors and Deputies. Looking at Maui Corporation Counsel they have Divisions, a Counseling and Drafting Division and Litigation Division, as well as Risk Management and to each are further divided with tasks as described. I have read my eyes out throughout the years. On the Counseling Drafting they do Planning, land use and public infrastructure. Finance, generally. In the Litigation Division, they represent the County Offices and employees, labor-related, tort, etc. It also should be noted with all of these municipalities they all employ Special Counsel. The County of Kaua'i's litigation unit as you all know we are a small office, we are the smallest Office in the County. All of our attorneys currently we have nine. That includes administration, all counseling, drafting and all advice to Council and all litigation. We are the only County without a litigation unit. Litigation as you all know it is a reality. We are living in an increasingly litigious society and it is very expensive. Our Office, throughout the nine attorneys, referencing an earlier slide, we do approximately 3,500 assignments. 304 which are filed cases. Litigation generally can be described in the following six tasks. Just to give both yourselves and the public an idea of what it entails...you have case initiation, discovery, settlement discussion, pre-trial motions, trial and post-trial disposition and within the case initiation portion you conduct client intake, with us it is usually when a complaint is filed and we received it. We are served with it. We do initial fact investigations and we can answer in good faith and have

to affirmatively admit, deny or state that we are without information to answer allegation at that time, and therefore, we deny it. We have to do legal research, draft complaint and answer, do any cross or counter claims as necessary or third-party claims. We do 12 B 6 motions, which are motions to dismiss prior to answering any complaints. Defenses, map out defenses to procedural motions, meet and confer with each other regarding case scheduling. Discovery Phase. Draft and file mandatory disclosures and draft and answer interrogatories to questions. Respond to request for production of documents which can be difficult. In any municipality when you have to go to the depths to look for documents that may or may not exist and locate people who are retired from County that may or may not have information from the County. All of this must be done in good faith, balancing our responsibilities as a lawyer and own rules of professional conduct and the need of the client, the needs of the public given that the County is supposed to be an open and accessible corporation. As well as providing the best defense and not losing any strategic position doing so. Going to depositions, witnesses, etc. Settlement. After doing these processes, you look at what kind of settlement discussions are necessary, if any. Present those to you. Pre-trial motions, legal research, motions for summary judgment, etc. Motions in lemony jury instructions, trial briefs, voir dire questions. If you are going to jury trial, there are hundreds of rules that dictate what you need to do. Finally trial, which is the big show. The most time-consuming and costly portion of litigation. Then post disposition including appeals, etc. Trying to juggle all of this as someone who does both counseling and drafting litigation is very, very difficult. Not only do you not have enough time during the day to do this, but it can affect all portions of your life. In order to provide the best service for you, I can personally attest that our Deputies take time away from their families and own personal interests, coming in on weekends and coming in early and staying later in order to provide the best service that we can. With these shortfalls it is going to be a difficult issue. One attorney or two attorneys cannot do it all. During the transition and moving towards the creation of an independent self-functioning litigation unit...the short term litigation unit will work with other Deputies to bring cases to trial if necessary. Not every case can go to trial or goes to trial. Again, as I said, one attorney cannot do it all. So litigation unit attorneys will be the lead counsel on cases and non-litigation attorneys will support litigation unit attorneys as they are familiar with the underlying fact as Deputy County Attorney Nick Courson stated he can do the discovery runs and he knows who to talk to and the witnesses and who is most important, and what is going on. That can cut my time in doing the actual litigation prep and process in half, because I can rely on him to do it and I can focus on the rules and the documentation that needs to be done. The creation of litigation unit we hope that the litigation unit will achieve the answers and service that you all have very clearly stated this year that you want to do. We want to realize cost-savings with it. We want to benefit from the training and real world experience encountered in litigation units. I think it can be judiciously noticed that County Attorneys do not last very long. So it is good that you train people born and raised here and have a vested interest in the County to be strong attorney because they are the very ones that go out in the private sector and continue to help the people and this place in their own personal matters. We want to demonstrate the value of a strong in-house litigation team in order to get more litigation positions in the future and hopefully maintain that so that even after we are all long gone, the County of Kaua'i has a strong standing litigation unit that can continue to defend this County and provide the best service after our sons and daughters and grandchildren are sitting in positions of leadership. Again we cannot ever stop utilizing Special Counsel. That is a reality. But we can decrease or more creatively utilize their services with a strong litigation unit working in concert with them and having them do portions of trial prep and discovery process and use it as necessary and pick it back up. This is what the new organization would look like. County Attorney is on top, First Deputy position, which is myself, and I would supervise the two litigation Deputies to the right of

that box. Then Ian Jung as a Senior Deputy County Attorney would supervise the advice and counsel...counseling and drafting section of the Deputies that you have heard from today. The litigation team currently is me and Steven Hall, who is unfortunately not present today, but is an excellent attorney with his career in Chicago and it has been a pleasure working with him in a trial prep coming up. With that, that is all I have to add for now. I will turn it over to my boss, County Attorney Alfred B. Castillo, Jr.

Chair Furfaro: Before you turn it over, we may have a few questions for you. Can we turn on the lights, please? First I want to say young man that you went to Kamehameha Schools with some of my daughters and nephews and so forth. I hope they treated you well.

Mr. Trask: Kailua Harmon was very nice to me.

Chair Furfaro: Let me also say that kuleana on the tax bill, that was my bill and I was very impressed with the research, and the work, the sincerity and trying to do the right thing for the right people there. It was much appreciated and I think this elevation for you is well-deserved. But as we get to the litigation team here, will this... do you have an idea to share with us the slide that says we can never end outside counsel, but we hope to realize a savings? Do you have an idea of what the net results will be here? Will it save us 25% of our Special Counsel? I mean, do we have a target? These kinds of things have to be measurable.

Mr. Trask: Unfortunately, we have done the research to look at how you measure litigation costs. We have done the research. Deputy County Attorney Andrea Suzuki pulled off a courts statistic project publication 2013 caseload highlights, which is entitled "SMA and the cost of civil litigation." We looked at it and essentially the first three pages tell you you cannot...you cannot...to the degree of precision that anyone wants to, estimate affirmatively how much it could cost you in a given day. The reason why is because corporations do not control when they are sued. You could do, as much as you can to prevent it, but it will inevitably happen. So we have done the research and we have ways to look at it that we are trying to identify to appropriately...specifically quantify that we know how you want to. As you know Special Counsel can come up in a variety of ways. The first being simple conflict of interest, precluding the regular counsel to participate, which on an island like Kaua'i is a reality. If a case comes up involving a cousin of mine or close family friend I am advised not to participate in it. Another need for local counsel to testify in proceedings and desire to have no possible appearance of conflict. The need of an attorney who is particularly skilled in a specific area. Chair, you mentioned bond counsel that show a very specific area of law. Finally workload demands, this is also a real issue that needs to be dealt with in a smaller Office with only nine attorneys that services the County. On a basic level generally when you look at the cost of Special Counsel, Special Counsel generally runs you anywhere between \$200-\$400 an hour. As Deputy County Attorneys we make between \$35-45 an hour. So if you have us working a case, versus Special Counsel working a case, the hourly rate is self-explanatory.

Chair Furfaro: Let me drill-down on this a little bit, because I cannot buy into that explanation. You might buy into that as an attorney, but when you go to business school, you do things by measurement. There are some things like, like I heard that you are going to do investigations internally, that will probably save us some money. You have rates to measure against for Special Counsel. You have prep services, all to me are measurable, rather than having those kind of fees come over for Special Counsel. So I do not want to drag this on, but it is contrary to the principle of key result areas and key

result areas are measured in what kind of exposure we have and what kind of savings it might be in and targeted goals. So I am not asking you to say that you are going to forecast to the penny, but what is the net benefit? A rough idea of what we might save? Let me ask you, and how many attorneys would we be adding to staff to have a Special Counsel Division?

Mr. Trask: Thank you, Chair. Mr. Castillo does have the answers to those questions. If he can take the seat now, I am sure he will be able to provide the answers that you request.

Chair Furfaro: I have no problem with you passing the football over. They were not tough questions, but I tell you what, I have a very different view of legal support in many ways, and it comes from corporate attorneys that work for the hotel companies, Special Counsel, litigation with hospitality issues, inn keeper law, and the borrowing power here. This Council is a lot smaller Council than the other Counties. Most Counties have nine members. We have seven. You have a smaller staff. Well, we are a smaller County and we have to do more with less in many ways. But I will save that for Mr. Castillo. Your presentation was very well-received though, I might say. Mr. Rapozo?

Mr. Rapozo: Just a couple of questions. Did we solicit the Cost Control Commission for this recommendation or did they come up with this themselves? Do they have an attorney on the Cost Control Commission?

Mr. Trask: They do have an assigned Deputy.

Mr. Rapozo: As a Commissioner?

Mr. Trask: To my knowledge, no, I am not sure.

Mr. Rapozo: So they came up with this on their own?

Mr. Trask: I am not sure the process of the Cost Control Commission.

Chair Furfaro: Let me frame that question a little differently and I will give the floor back to Mr. Rapozo. Are we expecting a written position statement to come to the Council based on what the recommendations are being made by the Cost Control Commission? Rather than just put a line item up there that has their approval? Well, the people they have to convince are us and the people that get authorized to be on the Cost Control Commission come from us interviewing them. So to expand Mr. Rapozo's question and I will give the floor back to him, are we expecting a written position statement from the Cost Control Commission that says what they studied and why this is a good reason?

Mr. Castillo: I am wondering if I can answer that in my presentation or I can answer that question outside of my presentation?

Mr. Rapozo: Can you answer it now?

Mr. Castillo: I can answer it now. In terms of whether or not it was solicited, no. The Cost Control Commission did that on their own, and one of the things that they did, they did fact-finding. In their fact finding, I was asked to...I went

before the Cost Control Commission, if my memory serves me right, maybe three times. The difficulty was how to quantify in terms of how much dollars a litigation unit would save the County? I believe that the Cost Control Commission sent over a communication to the Council with the recommendation. I can, Council Chair, I can go back and ask the Cost Control Commission to comply with your request.

Chair Furfaro: Again, Mr. Rapozo...I thought I saw that come over from the Mayor in the evaluation of the Cost Control Commission and I asked staff to get it and boy, are they proficient, but it did not give us a lot of narrative. Have you seen this?

Mr. Castillo: I have seen the Mayor's communication and I have not...I do not have a copy of the Cost Control communication. However, in one of the meetings that I attended, in front of the Cost Control Commission and at that time it was by coincidence as far as I was concerned at that time. It gave me an opportunity to give the Cost Control Commission a clear understanding of the savings of a litigation unit. At that time we were into the new Fiscal Year of 2014. I would say two and a half months. Already in the two and a half months we had already expended the \$534,000. What I could do at that point in time was look at the cases, and look at the cases and how if we had two Deputy County Attorneys utilized during that time, the County would have only had to expend \$70,000. So within these two and a half months, \$70,000 would have been attributable to the Special Counsel and the remaining amount would have still been available in our Special Counsel account. Meaning \$530,000, minus \$70,000 and I could demonstrate to the Cost Control Commission at that time, we would have had a savings of that amount. I do not have a calculator with me, but that is an appreciable amount. Can I proceed with my...

Chair Furfaro: I just want to say to you, that if you do the math really quick on what came over to us, there is...without saying it, predicted about an 18% savings. What I am saying is if you are lobbying the Cost Control Commission for support, I need something more substantial. I can accept if it is an 18% savings, but I would like something more substantial. I owe Mr. Rapozo somewhat of an apology because I was to add to his question. So Mr. Rapozo you still have the floor.

Mr. Rapozo: Thank you. I got this from the Mayor and I got...I mean like the Chair said, there is no real analysis. The other thing is the Cost Control Commission recommendation is two attorneys. That is what I read. They are recommending two attorneys for the litigation team and yet your budget is showing one attorney and one dollar-funded. So I do not see and this is just from my experience working with attorneys I do not see how one attorney is going to change the dynamics of your Office right now. That is just the reality of it now, I do not care who you hire, \$94,000 a year, you are going to get a Deputy attorney, but I do not see that extra attorney creating an 18%....I think they are basing 18% on a two-attorney litigation team, which is not referenced in the budget. I just question the Cost Control Commission how this came up and on the other islands, each Councilmember has personal staff, they have expense accounts, and I really have a rough time when we compare ourselves to the other islands, because it is different. We are different, the other islands are just bigger, they have economies of scale, they have larger budgets. So they can obviously absorb much more. But the Cost Control Commission, the last two big recommendations from the Cost Control Commission, which by Charter they are supposed to be looking for ways to cut government spending, the first one was...they recommended an increase in tax revenue and then this one here, they are recommending expanding a Department and I can see what the intent is. That they want

to hopefully create a litigation team, but I think we would agree it is more than one attorney for a litigation team. It requires a paralegal and requires clerical support, if you want a litigation team. The fact that you call an attorney the "litigation team" I do not see the impact it would have on the Department.

Mr. Castillo: Councilmember Rapozo, I certainly agree with you it would be more logical to have a whole litigation unit with more than one attorney. However, we have to recognize the amount of dollars that we have and the amount of dollars that we do not have. I can tell you for a fact that we are engaged in a lawsuit right now that involves one of the Departments where we put one attorney on it, and that is Steve Hall. Just going through the discovery process alone has saved the County more than enough than to pay his income. So as far as not seeing the benefits, we can take on more cases and we would free that person...we would bring another person in to help in servicing the other Departments. One attorney alone makes a really big difference. Right now I have the fortunate circumstance as far as having Deputies that work hard and are willing to support the litigation unit and work together. I agree with you, but we are taking the baby steps necessary for the creation of a unit. I agree with you, I would prefer a whole bunch of attorneys, but we simply cannot afford it at this time.

Chair Furfaro: Before I give the floor to JoAnn, I want to make sure that you do not misunderstand what I am saying here. I think you have a lot of hard-working people in your Department, but I think we have some complicated issues on the horizon, including the bonding in the Water Department. It is not honky dory over there and there are issues coming up on the horizon and the County of Kaua'i has underwritten those. The other piece I want to say, I am looking for something that I can measure. If the savings is projected at 18% and you have \$1.1 million Special Counsel fees. I am saying to you, you come back to me and say that the Special Counsel fee drops from \$1.1 million to \$900,000 and piggy-back on what Mr. Rapozo is saying you need a minimum of two attorneys and support people to form the new group we are going to add \$280,000. But we are not saving very much money in, in fact, to do it right, we are adding \$80,000 and I am just picking numbers out of the clouds. I do not see that in the presentation and I did not know that you were going to make that today in only the hour that we gave you. So we are going to go to 12:45 p.m. and I will give JoAnn the floor, but I want us back on the 21st at 3:00 p.m. with your Department to have more discussion. Because I sincerely believe this idea is worth pursuing, but you are not sharing all of the moving parts with us inside of one hour. So JoAnn you have the floor.

Mr. Rapozo: It goes to what you are saying, if the savings is going to be 18% then the Special Counsel fund would be decreased?

Chair Furfaro: Yes.

Mr. Rapozo: I think that is what you are trying to say. You cannot keep raising both sides of the axes and keep claiming it is a savings.

Chair Furfaro: JoAnn you have the floor and we are going to go to 12:45 p.m. everyone.

Ms. Yukimura: Thank you. Whether it is a savings or not, I mean, it looks like a savings in the budget right now, if you use \$1 million as the bench mark and you are talking about \$650,000 for Special Counsel. Right now, right? I think that is what is in the budget. So it does look like a substantial savings, depending on what

you use the benchmark as for the last two years whether it has been the first line item or two subsequent line items, like this amendment that we handled recently. It has been \$1 million. So to me when I see the budget \$650,000, that looks like you are projecting a savings. So I want to ask about the litigation team, but first I want to say that I really appreciated the presentations of all the individual Deputies. It did give us a much better idea and the public as well of the scope of work that you are all having to cover and the diversity and the volume as well. I really commend and thank you for your public service. So then to the question of your legal litigation unit. I also appreciate the research that appears to have been done, and I would trust attorneys more than the Cost Control Commission to tell us the details of a litigation unit. I think they may have indicated the concept was worth looking at. But I do not think they know how to set up a litigation unit and you are trying to tell us that you are beginning to do that. My question is the value of Special Counsel is specialization that occurs and litigation often requires deep specialization. So I want to get a better idea of what you would focus your litigation team on? Either you are going to specialize in certain areas, or you are going to take litigation that is required and necessary, but not as specific as condemnation of property and that type of nature or NPDES litigation? You would take the more run-of-the-mill litigation, but you need to kind of give us some idea what you are thinking.

Mr. Castillo: What I am thinking and thank you very much, Councilmember Yukimura. Because number one, when you talk about condemnation, at least we are up to par with condemnation now in being able to defend the County and do work for the County regarding condemnation issues.

Ms. Yukimura: Without Special Counsel?

Mr. Castillo: Without Special Counsel. With Mauna Kea and Mona Clark. In terms of what types of cases? Well, what comes to mind, to my mind is that we have had an avalanche of employment cases EEOC and employment cases are numerous in this County and that is pretty much one of the cases I was talking about where Steve Hall is engaged in an employment matter he is defending and it is true when you talk about Special Counsel, you the Councilmembers know how much a case usually...how much we usually pay Special Counsel. Maybe say \$250,000. In this one particular case, Steven Hall is saving that amount of money and it is an employment case. So that is an area right now that is really needed in this County.

Ms. Yukimura: That makes sense to me and if there is a way you can document how much you have been saving in this case, that would be illustrative to us. I also understand that you are doing much more preventative work, using our Human Resources, Linda, in some of those cases as well and that is excellent, too. So one area that you expect to use your litigation team is in the area of EEOC.

Mr. Castillo: Civil rights.

Ms. Yukimura: Yes Civil rights kinds of cases?

Mr. Castillo: Yes.

Ms. Yukimura: Are you thinking about this in the land use area?

Mr. Castillo: Land use right now we have the benefit of Ian Jung. It is hard for him to do litigation, service the Planning Commission and service the

Department. It would be nice if his expertise, he would be able to work with someone else and that would give us...it is hard when you have only one attorney with one specialty.

Ms. Yukimura: I agree with you that there is a...you could create a combination of expertise in your Office, that manages or works with Special Counsel. So that is to me that is an option that should be available to your Office.

Mr. Castillo: We have been utilizing that idea since I started.

Ms. Yukimura: You know, I will make this my last question for this hour, I think your litigation team by creating litigation expertise and the ability to focus, so that your other attorneys do not have to deal with litigation, but can support it is a really good idea. I think the other area saving money is in the management of Special Counsel and I think the Council has a lot of input on that. But maybe we take that up when you come back. Because it is not exactly litigation.

Chair Furfaro: If you were going to bring this topic to the table, we should have allocated a lot more time. When it comes to managing some of the costs was the whole purpose of my September 6th presentation to you. So we are not finished there. I am going to give Mr. Chock a follow-up question and then I want to summarize something here, because you have to come back.

Mr. Chock: Real quick, so I understand that Special Counsel budget is \$650,000. I am looking at the table and aggregate total amount...I count 22 cases at \$855,000 in total. So am I to assume the majority of these cases will be completed within the next fiscal year? This is using a high figure provided.

Mr. Castillo: It is. I am just hoping that some of those cases end within the fiscal year. I cannot forecast other lawsuits coming across the horizon. I know for a fact even if we have one and a half people working primarily on litigation, it will save the County money and in the creation of a litigation unit, what we normally do is separate out the unit, so we remain clean in terms of conflict. I can see a majority of those cases ending, but I cannot predict the future. I am sorry.

Mr. Chock: Thank you.

Chair Furfaro: Al, I want to summarize this and I want to summarize it from a business approach to this, okay? Can I buy into you having a special group of litigators? The answer is yes. Okay. But I have to have some brick-and-mortar here in the numbers. I expressed to you managing the Special Counsel through this format that I gave you in the opening presentation. I want your comments on it. Secondly, I want to let you know that we just added \$500,000 to your budget and this year your Special Counsel is \$1,050,000 and you come back and budgeted \$650,000. I get a letter from the Mayor that reflects that the savings might only be 18%. I get an endorsement from the Cost Control Commission that has no numbers in it. Then you reduce it by 35% but your budget only adds one person and that is not enough. Budgets are supposed to be realistic, obtainable and we get buy-in from everybody. I think the buy-in, if you are giving me a document from the Mayor that says it saves 18%, that the savings is only \$200,000 and the litigation bill should have been proposed to us at \$800,000, not \$650,000. The staffing should have reflected two individuals, and then we begin talking. You know, you are coming in, good negotiations in business, you negotiate from up-down and not from down-up and I cannot buy into it right now. I do not think the numbers work. Does the idea

work? Yes, I think you bring a very powerful point to the table. That is what I am struggling with, Al.

Mr. Castillo: Council Chair, I am fully appreciative of what you have done in terms of offering your help in the beginning of this presentation and I cannot tell you how much it is appreciated, because your help and your help on getting the vote for that other amount...I think it was on Wednesday. For the Councilmembers to vote to approve it was very much appreciated. I understand and maybe I wrack my brains on how to give you numbers when I go back and sharpen my pencil and present to you something that can communicate to you that justifies the needs of the County, I hope we are able to do that. Because this is something that the County needs.

Chair Furfaro: First of all, I do not want you to point out myself, because there was a Councilmember who voted silent, okay? He also needs to be thanked. But what I am saying if we are now comparing budget to budget, once we give you that additional half a million, we are starting with \$1,050,000 and we are back right at the problem at \$650,000 again. I think that was the wrong approach and I would love to meet with you, but I need something that is real tangible and measurable. That is what I do not have right now. So hopefully, we can come up with more on this, between now and the 21st and have you folks back to us on the 21st of April at 3:00 p.m.

Mr. Castillo: Council chair, in addition to us coming back with numbers, I still have my presentation that I have not started yet.

Chair Furfaro: We did not even get there, but I did not anticipate you were going to make such a hard-sell about the Special Counsel. If that was communicated to me, I would have put more than an hour in today's session. So we are going to give you an hour and a half to come back on the 21st. I need to break this staff for lunch.

Mr. Castillo: Thank you.

Chair Furfaro: Okay. On that note, we are going to recess the County Attorney to April 21st, 3:00 p.m. and this meeting is in recess for lunch.

There being no objections, the Committee recessed at 12:51 p.m.

There being no objections, the Committee was called back to order at 3:46 p.m., and proceeded as follows:

Civil Defense

Honorable Mason K. Chock, Sr.
Honorable Gary L. Hooser
Honorable Jay Furfaro, Council Chair (present at 4:14 p.m.)

Excused: Honorable Ross Kagawa
Honorable Tim Bynum
Honorable Mel Rapozo (left at 4:41 p.m.)

Mr. Rapozo: The meeting is called back to order and next up is Civil Defense. So thank you for being here. The floor is yours.

GLENDa NOGAMI-STREUFERT, Civil Defense Manager: Thank you for having us and thank you for giving us this opportunity to show you what we have done in the past year and what we are planning to do in 2015.

Mr. Rapozo: If you could just introduction introduce yourself for the captioner.

Ms. Nogami-Streufert: My name is Glenda Nogami-Streufert and I am the manager for the Civil Defense Agency on Kaua'i. I have a short PowerPoint presentation that summarizes everything that you have in the budget and in the materials. Our mission statement, we are really part of the critical public safety infrastructure system that you have on Kaua'i and Ni'ihau. We coordinate efforts among Agencies as well as prepare, respond to, and recovery and assist in the preparation, response, and recovery from emergencies and hazards and disasters. These are some of the ways that we carry out our mission. We do the Civil Defense Emergency Management functions within the Emergency Operations Center (EOC) and also try to involve the public with awareness and enhance our operational readiness and our partners' operational readiness through training and exercises. I would to indicate that we have the Civil Air Patrol in the audience because they are participating with some of our training and exercises, as well as we were procuring and maintaining operational and interoperable communications. We have a lot of redundant systems but they are all very necessary.

These are some of our successes and achievements since January 2013. We have had 13 EOC activations in that time. Most of them were flash flood warnings but we just had a tsunami advisory as well as a severe thunderstorm warning and tropical storm watch and warning. We have done many exercises and trainings primarily for readiness. One was weapons of mass destruction exercise in September of last year, as well as first-responder and emergency management training. Those are some of them that we have done. We have also done skyward for the public and we have done wet weather briefs, NOAA product briefs, and other kinds of training that I can go into, but these are the probably the most important ones. We also do education training and outreach with the public schools, we do their evacuation drills with them. We go to community and neighborhood associations. And we work with our visitor industry with Sue Kanoho and with Costa and with the non-governmental organizations like the Red Cross, Civil Air Patrol, which is quasi-governmental. This particular picture up there is of the Wilcox School because we have them come into our EOC. They get training and some briefings on tsunami and hurricane

awareness. Elton is one of the people that we have as an instructor. He does a very good job and recently we have had Chelsie who also did it too. These are some other ones that we have done. These are the grants that we have taken care of. Since the year 2000, the Civil Defense Agency has managed over \$16 million in grants. That is a very significant amount of it. In addition to which last year...in addition to what you see up here, last year we also bought portable repeaters and radio system upgrades for both the Fire, as well as Police Departments. Personal protective equipment for the Fire Department, helicopter shelter for the Fire Department and we offered assistance to the Firefighters and I will get into that a little later for the 105 radios. In addition, we also assist them with their travel to conferences and to training. This is one of the newest acquisitions that we have, it is the Lenco Bearcat Rescue Vehicle for the Kaua'i Police Department. That was just delivered a couple of weeks ago.

We have also done tsunami evacuations zone maps. We have updated the maps. You can see that previously the maps were pretty undelineated and the new ones you can see almost to your house and, in fact you can go down to the house-level to see when you are in the inundation...in the evacuation zones. They are available through the new phone books, the 2014-2015. We have also made them available to community meetings, on the County website, and NOAA website. This is some other things that we have done. To the left there, this is our alternate dispatch center which is in the Fire Department headquarters. Because it is an alternate, it is a little more bare, sparse. This is newer in the current dispatch center and this is the new internet protocol-based 911 system and the consoles. In fact, we are still finishing up with the consoles in the dispatch. As you can see we have got a lot more equipment than we do in the alternate.

In communications, these are the kinds of things that we are doing. We are installing Statewide shared blended system radios. We have implemented a ten-year multi-term contract and we think we have saved the County \$1.4 million over ten years because the original contract was \$1.4 million more than we have actually contracted for. We are doing siren retrofits to satellite cellular activation. The first part of March, we had some glitches in the retrofit, followed up by some repairs. We had a special siren activation the middle of the month, and we had 100% activation of all of them at the end of the month or the beginning of April we did another one. Again we had one that failed, but that has already been repaired. That is a pretty good system when you have everything that is working. This diagram shows the warning sirens that we have. We have 43. 5 repeater sites on-island. These are some of the challenges that we have for the next year. We always try to improve our emergency management efficiency. We have got grant funding that we know has been decreasing over time. There are...it goes up-and-down, but over time you can see it has been decreasing and because of that it becomes much more competitive to get grants. We will talk about that a little bit later.

We also have a communications radio systems and radio sites and siren systems that need maintenance. Last year we got David Miyasaki as our Telecommunications Officer and he has done an assessment of all of our radio sites, siren systems, and he has identified all of those kinds of things that we need to have done. You will see that when we get into the budget. We are also upgrading our communication systems. Emergency Operations Center equipment that was put in in 2003 and 2004 is now 10-11 years old and as we know with all electronic equipment, which has not been replaced they can go at any time. We would like to have some replacement of that slowly over time, just the ones that we need right now, to ensure that we do not have a problem when we have an emergency.

The last one is more of a...based upon what we have seen with Katrina and with Sandy, and what we find is that people are relying more on what the government and the State, Federal, State and County governments can provide. We just do not have that. We have to be able to rely more...individuals have to have more reliance on themselves and the communities need to be more prepared and we are trying to change that expectation so people have a more realistic expectation of what they can get from government.

In order to meet those challenge these are our goals and objectives and I will go through each one separately, but it is to improve again the operating efficiency of the Emergency Operations Center, to train emergency responders, to realign some of the positions that we have to better meet emergency operations and that means our Grant Coordinator position to become a full-time permanent position. We are trying to maintain the operational ready status and efficiency of our communications, promote public awareness through education, as well as distribution of emergency preparedness literature and some of our preparedness initiatives.

This is a comparison of our 2014-2015 budget. The reason I put this up here is because I wanted to show that although our budget may have increased the proportions have really not increased. Our operating budget has gone from 56% to 55%. The personnel costs even with the new position would only go up by 1% from 22% to 23%. The benefits would also increase, but that is primarily because of the negotiations and the raises that have been granted. Our vehicles and equipment purchase is about 2%. Our utilities is about 7%, it was 7% last year also. This is what it looks like and later I will go through all of these, the differences between 2014 and 2015. You have got these in your printouts. These are some of the...if you recall, our goals and objectives, the first one was maintaining and improving emergency management efficiency and, by the way, I have also updated some of the information that you have in your books. Primarily because we have had some additional activations and we have done some additional things to make sure that our budget is more robust.

These are the kinds of things that we are going to be doing. We are going to be completing the update of the County of Kaua'i Multi-Hazard Mitigation Plan. The last one was done in 2009-2010. It has to be updated every ten years. If it is not updated we face the possibility of not being eligible for FEMA recovery funds should anything happen. This is a very important thing that we are getting that started this year with our funds this year. I have cobbled together some funds from areas that we did not need it or we did not need it as badly and the Police Department has given us some of their funds to support our taking over some of their grant management. The second one is that we are going to be developing and updating some of our standardized operating procedures for EOC activations. Some of our operating procedures go back to 1979. We think they need to be updated. We are also updating the Tactical Interoperability Communications Plan and if you have any issues or questions about that, David is here to answer them. Then we are also looking a Greater Aleutian Tsunami or GAT that means we would have a larger tsunami coming from the Aleutian Islands and that means more modeling and mapping and a planning update. The modeling that we had this year that we completed this year under Elton's tutelage was really about an 8.6 magnitude and this would be a 9.1. Has that ever happened? Yes it has happened over thousands of years. Could it happen? It is a possibility and we want to be prepared for it. In terms of exercises and formal training plans, these are some of the kinds of things we are planning and we only do these things with our partners and our partners in this particular case for many of our exercises are all of the Departments within the Administration, as well as non-governmental Agencies and we will have the State involved in some of our exercises. Makani Pahili 14 would be a

Statewide exercise that will include the National Guard, FEMA, we will have a participant from FEMA within our EOC. We work with the Department of Education, Department of Homeland Security, we will also work with the Civil Air Patrol, the Kaua'i Visitors Bureau for looking at visitor evacuations. We will be working with non-governmental organizations. These some of the kinds of exercises that we are already planning or we have already taken part in. The Pacific Theater Engagement 2014 was just completed. I have left that in there because I think we will have one in 2015, but the 2014 was a tsunami exercise. It was an 8.6 tsunami. We also have weapons of mass destruction, as well as sea burn sometimes known as NBC training, communication exercises. These are some of the trainings...that is not all inclusive. I did not want to put everything in there, but we have got lots of opportunities for more training. We are sort of like the military in same ways. We train and we train and we hope we never have to use it, but if we do have to use it we know we will be ready to do that. In order to make sure that our training is appropriate, we also have after-action reviews for follow-up training and improvement.

This is where we are looking for some assistance with a new position to meet our mission requirements. We are trying to establish a full-time Grant Coordinator position. As you can see here, we are partnering with the Kaua'i Police Department. They also needed an additional position for a Grant Coordinator. By taking some of...by managing some of their grants, we think we can save them money and save the County money by eliminating the need for an additional position for KPD. If we have a full-time Grant Coordinator position, we want to be able to retain the grant application and the management experience that we have and the people that we have now. Frankly, in order to do that we need to have some stability for our Grant Coordinator. The other problem with the way we have it right now, the Grant Coordinator position is completely funded through grants or through one grant. Based upon that theoretically she should...the Grant Coordinator should only be working on that grant, but with a small staff of only six people, we had to use her for EOC activations and flexibility for other emergencies that might come up. We need that flexibility and the way to ensure that is to have a full-time Grant Coordinator position that is General Funded. It should be noted from 2000 we had over \$16 million in grants and it is not just a process of applying for and closing it out. It is actually managing and administering it. We do this not just for Civil Defense, but also for our partners. We have I think in our budget \$30,000 for the Civil Air Patrol as well as all of the other kinds of things that we are doing for KFD and KPD that you have seen in the past.

Though we think that this is a requirement that we absolutely have to have. These are some of the acquisitions that the Grant Coordinator has bought and has managed for both the KPD, as well as the Fire Department. Fire engines to control vehicles to our helicopter that was just used in the last rescue effort as well as places to store it. As you know we have a lot of salt corrosion on things and we need to be able to store it and the storage equipment is just as important in some ways. Our communication system, this is one of those things that because we have David Miyasaki with us now we have been able to identify all of the requirements, all of the needs that we have. Frankly, for all different kinds of reasons, repairs and maintenance has been let go for the last several years. We really need to get up to speed with it. We are also upgrading to 800 MHz radio sites for P-25 specifications. I did not have enough Diet Coke today, I think. We have an AEGIS satellite system that we think has gone belly-up and we need to find a replacement. This does not mean that we do not have anything, we do have everything. We always have redundant systems. This is one of those systems that we would like to upgrade so that we have another redundancy there. We are also trying to promote public awareness and preparedness because there is going to be more of a reliance upon individuals and

communities taking care of themselves and being able to come back or recover after emergencies. So we are doing a lot more education, outreach, news releases through our Public Information Office and community initiatives like the storm ready and tsunami ready community programs. We are working very closely with the Fire Department on their CERT program. They have really energized this year and we have got quite a few more programs coming up. This is some of our signage program that we are doing. I have also brought some materials here that you can look at, that we have about all of these programs. Today and tomorrow we are at the home show presented by the Contractors Association of Kaua'i. We are available there for any information that people might want. I appreciate your attention. Thank you very much. I am ready for any discussion.

Mr. Rapozo: Thank you very much. We will open it up for questions. I know what you are going to ask...

Ms. Yukimura: You do?

Mr. Rapozo: I just know what you are going to ask.

Ms. Yukimura: I do not know what I am going to ask.

Mr. Rapozo: Let me ask. That Batmobile that you... What was that? What was the cost of that thing?

Ms. Nogami-Streufert: The cost that was \$273,005.

Mr. Rapozo: \$273,000? Is that a rescue vehicle?

Ms. Nogami-Streufert: It is a rescue and special services tactical vehicle. In the past three years, we have had three officer-involved shootings, five tactical team incidents where firearms or discharged firearms were involved. So there was a requirement or a need for this. We are the last of three outer island Counties to actually receive it.

Mr. Rapozo: I guess, as I looked at your list of all of the issues that are recurring issues because we see it every year, the communication radio systems, EOC equipment, I mean are those funds eligible? In other words, could we have used \$273,000.38 or whatever it was for replacement of communication or radio equipment?

Ms. Nogami-Streufert: Every year the requirements for the grants change over time. So I am going to have to ask Chelsie to answer that question. This is Chelsie Sakai.

Mr. Rapozo: Hi Chelsie, I know you were hoping that we did not call you up, but she did, we did not. I am just trying to figure out as we prioritize these funds, I call it the Batmobile, because that is what it looks like. It is something that is nice to have and when you need it it is great to have. I am not sure how often we need it. The bigger need, I see it, over the last several years is the communication, the radios, the sirens, all of these things that I think are much more of a priority. Could we have used those funds for...

CHELSIE SAKAI, Emergency Management Grant Coordinator: We actually do have quite a bit of money going towards all of those things, but part of the

Homeland Security Grant requires 25% that goes towards law enforcement purposes. So that is what KPD felt was their need.

Mr. Rapozo: The radio equipment, the communication equipment that is law enforcement, right? Is that not part of law enforcement?

Ms. Sakai: Yes. We have probably put in closer \$2 million towards the radio project.

Mr. Rapozo: But we still have some issues? We still have issues outstanding?

Ms. Sakai: Yes.

Mr. Rapozo: Okay. Councilmember Yukimura.

Ms. Yukimura: Follow-up. So it was KPD that made the decision to apply for that vehicle, right?

Ms. Sakai: Yes.

Ms. Yukimura: How much does it cost to maintain it and where is it being stored?

Ms. Sakai: It is being stored in one of those shelters that we purchased for the Homeland Security equipment behind the station.

Ms. Yukimura: Behind the Police Station?

Mr. Rapozo: It is called the Bat Cave.

Ms. Yukimura: I have the same question that Councilmember Rapozo has in my head. How much does it cost to maintain it?

Ms. Sakai: That I am not sure.

Mr. Rapozo: We can ask KPD.

Ms. Sakai: You would get better answers from KPD.

Mr. Rapozo: Mr. Hooser.

Mr. Hooser: So we do the...we have had this discussion in general about grants and so the Council approves the request and approves the acceptance.

Mr. Rapozo: I believe we approved the match. I remember something about a rescue vehicle, but I thought it was a rescue vehicle like a rescue truck. I can see the need. No doubt about it. I just wonder if the priority of the needs for the other issues.

Mr. Hooser: My question was did the Council approve the purchase of the vehicle before the purchase?

Mr. Rapozo: The match.

Ms. Sakai: The Council approved the use of the money. The Homeland Security does not have a match. It is a straight 100% grant funded. No matching requirement.

Mr. Hooser: So when we approved the funding we knew what was for? The vehicle? Or was it just a certain amount of money and then the Office was allowed to do what they want?

Ms. Sakai: I believe this one went through a change request after having gone through the Council's approval.

Mr. Hooser: So the Council may not have known the moneys were going to be used for the purchase of this vehicle?

Ms. Sakai: No.

Ms. Nogami-Streufert: It is a rescue vehicle and I believe it was discussed at some point in time is my understanding. I am not sure how much was discussed, but it is technically for all practical reasons can be a rescue vehicle. So it is a multi-purpose vehicle and not just one or the other.

Mr. Hooser: My question was about the process. Not the vehicle per se, but whether or not we approved it and change orders happened. Do those normally come back for another approval? That is it. I am good.

Mr. Rapozo: That is a cool truck, I have to say. I would like to have one of those.

Ms. Nogami-Streufert: They might let you get into it so you can see it. It holds ten people in there.

Mr. Rapozo: Ten? Oh, it is big.

Ms. Yukimura: Just a follow-up about that question of how much it costs to maintain? So I have another question. Gosh, I do not have a copy of your PowerPoint, but in one of the slides you showed a mitigation plan?

Ms. Nogami-Streufert: A Hazard Mitigation Plan. Multi-Hazard Mitigation Plan, correct. We are doing an update of that.

Ms. Yukimura: Okay. It includes the tsunami and those kinds of mitigations as well?

Ms. Nogami-Streufert: Yes, it is a multi-hazard plan.

Ms. Yukimura: Okay. Because I think the Shoreline Setback Ordinance is part of that Hazard Mitigation Plan. So you might want to just include it in your plan if it is not already included.

Ms. Nogami-Streufert: We are doing a contract with the University of Hawai'i. They have done it before for the other Counties and so they have done our ours prior to this. So they will be doing the same thing and they will be talking to residents, as well as interested parties, stakeholders before they do this.

Ms. Yukimura: Okay. Thank you.

Mr. Rapozo: Mr. Chock?

Ms. Yukimura: Go ahead.

Mr. Chock: Thanks. Glenda, I wanted to ask you a few questions about the budget here that I am looking at for R&M Building, you have an increase of \$121,000. I was wondering if you had some specifics that you could share on that expenditure? First page so page 153.

Mr. Rapozo: Page 153 on the budget sheet.

Ms. Nogami-Streufert: I will ask David to come up and talk to you about that because that is the repeaters, the CD building, Kukuilono Building, air conditioner, roof repair.

DAVID MIYASAKI, Telecommunications Officer: You are looking at the \$121,000 increase?

Mr. Chock: That is correct.

Mr. Miyasaki: We did not do a whole lot of maintenance in past years. When I came on board, we had a lot of failures and downtime. Right now, I am trying to do a little catch-up and that is why the increase is in there. The fire suppression system was not inspected for a long time. It is 20 years old. We are starting to have some trouble, no parts, and I am having to replace some of it. We had air conditioner failures, generator failures, the transfer switch went out. The generator would run for three days and burn out of fuel. That is a whole bunch of catch-up and that is why there is a substantial increase.

Mr. Chock: One of the pictures showed the hangar. I thought when we had discussion with the Fire Department, I knew they were talking about...it was a large amount of money for...I think it was for the platform or place at the airport. Is that the same building that we are looking at? I am just wondering?

Ms. Nogami-Streufert: What you saw there was the Police hangar but it looks very similar to what the Fire Department has but it is not at the airport.

Mr. Chock: Thanks.

Ms. Sakai: Actually, the one that was shown was for KPD to store their things and Fire has one similar to that. We also procured one for Fire, a temporary structure for the helicopter at the airport. They have to pay for the pad.

Mr. Chock: For the pad, that is right. So, we already had a temporary structure? We are in the process of looking for a permanent structure for the pad?

Ms. Sakai: That is a Fire question.

Mr. Chock: Okay. Just one more question. One more increase in line item 30 which is "Other Services." I would like to request for a clarification on the \$26,000 increase there.

Ms. Nogami-Streufert: We have Blackboard Connect CTY which is a notification system. That is going to cost approximately \$75,000 next year. We have some sire maintenance for about \$15,000 and we have eight...Elton? We have eight FEMA containers, some of them are in evacuation or tsunami zones which we have to move. Those are the costs that you see there. There are eight of those FEMA containers that have emergency recovery materials and equipment. Two of them are in very bad shape so we are not going to accept them. That is why you see \$6,000 rather than \$8,000. That is an estimate. We really do not know how much it is going to cost because we still have to find a site to put them that is outside of the evacuation zones.

Mr. Chock: Then the last question regarding to the communication. I know we are investing a lot into the upgrading of it. I am just thinking because I know in the Fire Department we had to upgrade quite often. What is the life span this we are looking at, with this kind of budget increase and incremental budget increases over the next 5-10 years as forecast?

Mr. Miyasaki: You are asking about...can you repeat your question?

Mr. Chock: Just the communications upgrades and the forecast in terms of the life span of the upgrade and when we might have to look at another upgrade, because I know it is a big budget item.

Mr. Miyasaki: It is a big budget item and good and bad, communication equipment, we use them for 15 years. We should be replacing them every 6-7 years, but the way the budget has been, we have been replacing them every 15 years and again that is a little bit of catch-up. The infrastructure right now we are upgrading to the P-25 digital, Federal standards, so we can have interoperable communications with FEMA or KPD or whoever comes on board during a disaster. The life span of the infrastructure and the subscriber is 10-15 years.

Mr. Chock: Thank you. Thank you, Chair.

Mr. Rapozo: Councilmember Yukimura.

Ms. Yukimura: A follow-up on the 800 MHz system. I do not know if I ever publicly welcomed you David, we are very glad to have you on board.

Mr. Miyasaki: Thank you.

Ms. Yukimura: You worked on the system for many, many years as an employee of Motorola?

Mr. Miyasaki: Right.

Ms. Yukimura: Did you negotiate this last agreement on the maintenance?

Mr. Miyasaki: I was part of that.

Ms. Yukimura: Which according to the PowerPoint saved \$1.6 million?

Ms. Nogami-Streufert: \$1.5 million.

Ms. Yukimura: \$1.5 million.

Ms. Nogami-Streufert: Yes, over ten years.

Mr. Miyasaki: A little bit of inside information.

Ms., Yukimura: We had a long-term contract when we first bought the system too, did we not?

Mr. Miyasaki: What it was, it was a package deal. That when Motorola sold the system they included the 10-year maintenance.

Ms. Yukimura: Right. So we had a good deal for ten years?

Mr. Miyasaki: We had a very good deal.

Ms. Yukimura: You have given us another good deal? So thank you very much. That is huge and very good. Are we on-track for the...I remember we had a schedule for getting to that P-25?

Mr. Miyasaki: Yes we are on track. The Phase II, the CIP that we got was ahead of schedule. The actual completion date is about October...the scheduled completion date is October. We are planning to be completed by June and part of that was because the hurricane season is coming up. So we are really pushing the vendor as far as getting completed.

Ms. Yukimura: Excellent. At the same time, you have been...you have done an overall inventory? So that we know where we need to upgrade?

Mr. Miyasaki: Correct.

Ms. Yukimura: In our regular system?

Mr. Miyasaki: Right.

Ms. Yukimura: That is very reassuring. So thank you. It really...I know we should have been doing this all along, but the fact that we are getting it done is really good.

Ms. Nogami-Streufert: I would also like to publicly acknowledge although we are a very small staff, every one of the people that we have at that staff is experienced and very competent as you can tell and they are also proactive. We are always looking forward to the kind of needs not just for today, but for tomorrow. You should also know in 2014 with technical assistance from KCDA, the Fire Department was able to get 105 radios worth \$495,000 and there was only a \$99,000 match that the County had to come up with. So for a 20% match, we got a lot more radios because we have a Grant Coordinator who can do a lot of the leg work for the Firefighters and for the Police Department for that matter.

Ms. Yukimura: I really do have a sense of a very tight team that is emerging. So really happy to see that. There was a question that came up in Parks about use of cell phones of Parks employees during emergencies. The concern about interference because they were thinking of the use of commercial systems, but I was telling them I recall that there will be this interoperability and different channels that could tie Public Works, Police, and all of the County workers who are going to be in a response. I just wondered if that is somewhere in the plans?

Ms. Nogami-Streufert: I will let the expert answer that one.

Mr. Miyasaki: Yes, as far as the current radio system, it is interoperable. We do have talk that it is shared among the County agencies, Public Works, Fire, Water, and Police. So there is interoperability channels on that that is programmed on every single radio that we have out there. That is one aspect of it. The cell phone request is just not new in public safety because unfortunately we do not do data on our radio system. If it is something that public safety is beginning to deal with as far as going to bring your own device (BYOD) because of the current technologies with the 4G and everything else, there is another system on the horizon. I do not know if you heard of first net? That will bring in the data to public safety. We are looking about five years off right now.

Ms. Yukimura: I see. So you are saying there is a function that our existing radios do not have that would be really useful and that is why there is sometimes direction to bring your own phone so you can have that?

Mr. Miyasaki: Because we do just mission critical voice and the cell phones can do data with 4G high-speed data.

Ms. Yukimura: I see. So in terms of being trained, how to use the...hand-held?

Mr. Miyasaki: The cell phones?

Ms. Yukimura: The hand-held radios to its maximum and how to use...then you just have them bring their phones?

Mr. Miyasaki: It is a call from each public safety agency how they want to operate. For mission critical voice it is the radio system.

Ms. Yukimura: And our people are trained to use it in times of crisis?

Mr. Miyasaki: Yes, they are. Just to make sure we do conduct exercises?

Ms. Yukimura: Including our Parks Department?

Mr. Miyasaki: Not so much the Parks Department in the exercises that we have been having. I do localized training with them and, in fact I did one, I about six months ago.

Ms. Yukimura: Thank you.

Mr. Rapozo: Any other questions for Civil Defense?

Chair Furfaro: First of all, my apologies, I had to get on a conference call. Thank you for the savings. I have a little different information, David, saved us about \$111,000 a year on the system. But my inside information David and my wife are first cousins, I got a different scoop. I missed the piece that ties in with the Fire Department and I just want to reconfirm myself, who is the grant writer that got us the facilities that we have currently at the airport? Did that come out of Civil Defense? Thank you, David.

Ms. Sakai: To get the area at the helicopter...?

Chair Furfaro: Yes.

Ms. Sakai: That was Fire.

Chair Furfaro: That was Fire that got it?

Ms. Sakai: That got the land?

Chair Furfaro: The land.

Ms. Sakai: The Civil Defense through the Homeland Security Grant got the temporary shelter for it.

Chair Furfaro: So our costs were going to be the addition of pad, right? And finding something that was more permanent with the covering?

Ms. Sakai: I believe so, yes through Fire.

Chair Furfaro: Yes. But was there not a problem with the location that it had to be turned? Because of the wind or something and the long-term maintenance? Do any of you know anything about that? No? And was the pad and the covering or the new building, was that money that was in a CIP and eventually was that not where the new Police car was going to go as well? Do we know any of that information?

Ms. Sakai: I am not sure.

Chair Furfaro: I will try to rebuild the history of that thing.

Ms. Sakai: All I know they came to us for help for the actual temporary shelter.

Chair Furfaro: They came to you for the temporary shelter?

Ms. Sakai: Yes.

Chair Furfaro: Not the permanent one?

Ms. Sakai: No.

Chair Furfaro: Okay. I am sorry to bother with you folks, but I am just doing some digging here, because the permanent building has to be relocated so that it does not turn into a wind tunnel. The Police vehicle, you helped secure that grant as well from Civil Defense?

Ms. Sakai: Yes.

Chair Furfaro: Okay. We seem to have had a lot of success with using one grant writer for Civil Defense, Fire, and Police, and that is in our plan eventually here to share a person?

Ms. Nogami-Streufert: The plan right now is to share with the Police Department. Police Deputy Contrades and Chief Perry came to us wondering if we could manage and administer some of their grants if we had a full-time, permanent person and Chelsie looked at the requirements, that the Fire Department...I am sorry, that the Police Department had with their grants and we determined it would be possible to do that, using some of the funds that we have for the grant for 89-day hires potentially. To help at least setup some of the system and we could continue it on. The problem is that we have some funds for...we have some granted funds that we might be able to use that way, but we cannot count on having it for very long so we need systems that is more automatic systems and it does take time and we need somebody who knows the entire system. We are doing that with Police and have to look at what Fire's requirements are. When we have Homeland Security Grants or Emergency Management Program grants, they are not just for us. We use that with our partner agencies and primarily it has been Fire and Police.

Chair Furfaro: Right.

Ms. Nogami-Streufert: So yes, from that perspective she is helping both. And KCDA is helping both agencies.

Chair Furfaro: Is the long-term plan, because we were once set up that way where Fire, Police, and Civil Defense and any support for Air Patrol, we had a grant writer split between the groups? Is that something that is reflective in this budget? We are adding a person to help us with this and have all of those agencies bought into one grant-writer?

Ms. Nogami-Streufert: This budget is a merging of KCDA that would be administering some of the Police Department grants. We have not looked at what the Fire Department requires, but it should be noted that we provided technical assistance to the Fire Department to get 105 radios with only a 20% County match.

Chair Furfaro: That is what I heard.

Ms. Nogami-Streufert: So from that perspective, yes, we are already helping them. To what extent we will continue do that we will do it to the best of our abilities to the extent that we can, but we would have to look at all the grants that the Fire Department has before we can say it will be under one person. It may be too much for one person, we are not sure. We would have to look at that.

Chair Furfaro: How will you keep me informed of the buy-in from all the participants?

Ms. Nogami-Streufert: We have a letter that was transmitted to you and Mr. Rapozo. So we know we have the Police Department buy-in on this. If we do take over the Fire Department, then we will most certainly keep you informed as soon as we get that done. We will keep you all informed.

Chair Furfaro: And this is a new person?

Ms. Nogami-Streufert: This is a new position.

Chair Furfaro: Position, not person?

Ms. Nogami-Streufert: That is correct.

Chair Furfaro: This is a new position?

Ms. Nogami-Streufert: That is correct.

Chair Furfaro: For this young lady we have high hopes for her because she is very talented.

Ms. Nogami-Streufert: We would say that she is very competitive for that position.

Chair Furfaro: Okay.

Ms. Nogami-Streufert: We are assuming that she will apply for it.

Chair Furfaro: Okay. Well-said. I am a bit clearer, but I still have to find out about the hangar. Thank you. I guess I have the meeting back?

Mr. Rapozo: Yes, you do.

Chair Furfaro: Any further questions for Civil Defense? I guess we are okay.

Ms. Nogami-Streufert: Thank you for your time and attention and once again I want to tell you that the staff at the Kaua'i Civil Defense Agency and you have got three of them here, and we have got Karleen Abalos and Mark Marshall, are stellar employees and we would like to acknowledge them publicly in this forum. Without them, with five people, they have been keeping Kaua'i very safe and protected. You need to know that Elton Ushio has been stellar in his performance and everything he has done. He has

been essentially running the organization to a great extent and we could not have done it without him and I want to thank him for that in front of this panel. Thank you very much for your attention and time and I look forward to hearing from you. Thank you.

Chair Furfaro: I will take your comments of their stellar performance under consideration as it relates to the Latin translation, "they are all-stars."

Ms. Nogami-Streufert: Precisely and five stars at that.

Chair Furfaro: Got it. Thank you very much. Before we wrap up today I want to share with you folks I did get from Economic Development the most current Workforce Investment Act programs and policies and they are going to leave it with me. So getting up to the 22nd, if you want to reflect on actually a lot of the procedures that are covered in here for the Workforce Board, its operational procedures, how do they put together their workforce plan, what kind of Federal laws that they have to comply with? This will be with me for the next 11 days. So you have access to it. I would like to recess the Departmental Budget Reviews until 9:00 a.m. Monday, April 14th and on the 14th I have made an exchange with Vice Chair Chock. We both had appointments in the afternoon. He is now going to be absent and change his appointment to the morning so that we have the right number of people and I will be gone for about an hour and a half in the afternoon to keep my appointment. So until that time, be prepared to cover the Prosecuting Attorney's Office, Transportation, and the Auditor and Elderly Affairs in the afternoon. We are in recess until Monday at 9:00 a.m.

There being no objections, the Committee recessed at 4:36 p.m.

There being no objections, the Committee was called back to order at 1:46 p.m., and proceeded as follows:

Office of Economic Development

Honorable Jay Furfaro, Council Chair
Honorable Mason K. Chock, Sr.
Honorable Gary L. Hooser
Honorable JoAnn A. Yukimura
Honorable Mel Rapozo
Honorable Ross Kagawa

Excused: Honorable Tim Bynum

Chair Furfaro: Okay at 1:45 p.m. we are back from our recess.
George, I will give you the opportunity to tell us what sequence you want to go through your Divisions and the show is yours. You have two hours.

GEORGE K. COSTA, Director of Economic Development: *Mahalo. Aloha,* Chair Furfaro, Vice Chair Chock and Honorable Councilmembers for the record, George Costa, Director of the Office of Economic Development. We are honored to be here today and have opportunity to present our 2014-2015 Fiscal Year budget, but more importantly share with you the Office of Economic Development mission statement, OED's role in the County government and the community, and the great opportunity to affect our residents and visitors in a positive way. For today's presentation, we have a couple of guests with us. One of them is Mia Ako, who is to my right. She represents the Kaua'i Economic Development Board and in a few minutes will be providing an update on the Creative Technology Center what started out as the Digital Media Center. Later in our presentation, Sue Kanoho will make her presentation along with Nalani Brun, our Tourism Specialist. So in the order, I will start, I will summarize our Department and some of our goals and objectives and accomplishments. Mia will present her section. After we are done with the OED summary, I will go right into the Agricultural Specialist portion. Our Agricultural Specialist Bill Spitz is unable to attend so I will be doing his portion. Right after that, Glenn Sato will be presenting the Sustainability portion and right after Glenn is done then both Nalani and Sue will come up and give their presentation on the Tourism sector. As soon as Nalani and Sue are done, then both Art Umezu who is representing the Film Industry and Kaeo Bradford will provide her update on Workforce Development. We are going to try and go through this as quickly as possible and afford the last two speakers more time. That is basically Kaeo Bradford, based on our representation here just a few days ago, there was a request to provide a brief summary on what Kaeo does with Workforce Development and the important role that the Workforce Investment Board and Youth Council does. So Kaeo will do that. Then we will finish up with Ben Sullivan on the Energy piece. We have been watching almost every Department's presentations and a lot of reference to energy, so we are going to afford Ben more time to make his presentation and then I will summarize the budget portion of the Office of Economic Development and then go right into questions and answers. If that is okay with you, then I will move forward.

As I had mentioned, our mission station is the Office of Economic Development (OED) works in partnership with the community, business, and government sectors to create economic opportunities towards the development of a healthy, stable, and balanced economy of the County of Kaua'i. OED promotes and nurtures sustainable economic

development within Kaua'i County, that is consistent with the community's needs and priorities. We take this very seriously. The key word here is "partnership." Like the County Attorney's Office we are a very small Office and our Specialists work pretty much alone with the assistance of our OED Specialist, who is Melissia Sugai. We really rely on our partnerships, our relationships with various community and business organizations to help us achieve some of these goals, projects, and initiatives that are so important to our community. As the County continues to face financial and staffing challenge it is imperative that we be as efficient as possible with our limited resources. With that in mind we rely on our partnerships and collaboration with many organizations on a daily, weekly, and monthly basis to provide not only job opportunities, but job preservation.

I will go right into our guiding principles. Economic diversification, economic self-sufficiency, and economic opportunity for all. Within our Department we have both the Agricultural and Energy sectors and Sustainability as well. For all of those we try to focus on to not only diversify our economy, but also the self-sufficiency portion to help this island become more self-sustaining. I just wanted to mention in our Fiscal Year 2013-2014 goals, objectives, and accomplishments, I feel that one of the major accomplishments is the hiring of the OED Specialist II. It was a position that we have been lobbying for and working on for several years. We finally hired Melissia Sugai who came to us from Unlimited Construction. Not only does she have a diverse background but is very good in organizational skills. Melissia basically assists our Specialists and with Energy, she is working together with Ben Sullivan on the monitoring system that you will hear Ben talk about later. She also assists Bill Spitz in the Agricultural portion in helping with our Sunshine Market Administrative Rules monitoring and assists Art Umezu with Film permitting and compliance by our film producers. She also is responsible for providing oversight and update of the Kaua'i Made, Kaua'i Festivals and event, Film Commission, Facebook, and websites. She is also working on several initiatives that will help make the Office of Economic Development more efficient. We have gone from a hard copy library where we had a lot of periodicals and magazines and reference books on our shelves and we have gone to a more digital set-up where anyone interested in starting a company or anyone needing economic data and information, we can lead them to websites as opposed to hard copy material. At this time, another project that we have embarked on two years ago is the Creative Technology Center. It started out as the Digital Media Center, but in our collaboration with the arts and culture focus groups, as well as sports and recreation groups, that initiative has changed and now we are looking at a center that is more inclusive of the media, not just film, but also in the music and other respects. At this time I would like to have Mia Ako present an update on the Creative Technology Center.

MIA AKO, Vice President, Kaua'i Economic Development Board: Thank you. Thanks, Chair Furfaro and Vice Chair Chock and the rest of the Council. As George said I am Mia Ako, the Vice President of Kaua'i Economic Development Board. In Fiscal Year 2013-2014 the Council funded the implementation phase for this Creative Technology Center. The implementation phase had five priorities that were set to be worked on. One was the formation of a Charter Board. Formation of a new non-profit organization. Site selection. Fundraising. To-date our consultant Alan Tang of Olomana Loomis, ISC has been working with the O'ahu law firm in the formation of this 501(C)3 non-profit. This non-profit will become the entity that will own and operate the Center. The Board governance and the formation of a Charter Board is also being worked on by this law firm. Site selection has been moving forward very smoothly. We have explored numerous site possibilities and have identified a property within the Lihu'e Town Core. The site is County of Kaua'i-owned and viewed as the most appropriate for the center. So discussions with the Administration is ongoing and we have met with County officials for traffic,

parking, and utilization impacts. Now once the site has been identified and approved, property assessment will be conducted just to ascertain whether the condition of the property and the construction readiness of the property. Fund development has begun. A large grant-in-aid was submitted to the Legislature in January for capital construction costs and our consultant has worked on numerous private fund foundation grants in this implementation phase. The County of Kaua'i has done its due diligence in vetting the need and sustainability of a Creative Technology Center for the island of Kaua'i. Now after two years of meeting with a diverse range of Kaua'i's community, the Center has received overwhelming support from Kaua'i's film, business, education, technology, and cultural communities, as well as our local and State government officials. Kaua'i Economic Development Board is taking this Creative Technology Center to the next steps with plans for the constructions of the Center. As shared earlier a State GIA grant request for \$3.75 million was submitted to support capital construction costs for the Center. The estimated total construction budget for this 32,000 square foot facility is estimated at around \$15 million. Kaua'i Economic Development Board humbly asks the Kaua'i County Council for consideration to fund the next phase which is the pre-development phase. The budget request is for \$150,000 and this is for pre-development costs associated with construction planning. Pre-development funding is needed to move this project forward. Funds will be used for fees associated with architecture and design costs, engineering and design fees, environmental impact studies, some surveying, and site prep fees. So the big money that was asked of our State Legislature is for capital construction. The moneys that we are asking from the Council is that pre-development. That is it.

Chair Furfaro: We are going to stop there for some quick questions. Mr. Hooser you have the floor.

Mr. Hooser: Thank you for being here. I know we are probably not going to take the time for a complete briefing on this.

Chair Furfaro: May I just answer the question, George some of these items you can come back, right? In Committee Meetings. This is a budget review, not so much a project by project review. Go ahead, Mr. Hooser.

Mr. Hooser: \$150,000 before I would be able to make a decision on that I would need to know the...is it a County...who owns the land and the building and who manages it and all of that kind of stuff? So that could be briefed later?

Chair Furfaro: Yes.

Mr. Hooser: So you will talk about it later?

Mr. Costa: It is a matter of timing and right now we are presenting the budget, but a lot of these projects that we are engaged this Fiscal Year, the studies are being finalized now. So within the next month or so, we will be coming forward and asking for agenda time to present those.

Mr. Hooser: Before we vote on a \$150,000 budget for this project we will be briefed on details of this project?

Ms. Ako: Correct.

Mr. Hooser: Thank you.

Chair Furfaro: Real quick follow-up, George, does that \$150,000 show up in anything that is in the 2014-2015 budget?

Mr. Costa: Yes, it is in our budget.

Chair Furfaro: It is in your operating budget?

Mr. Costa: Operating budget.

Chair Furfaro: Okay. Mr. Kagawa, you have the floor.

Mr. Kagawa: Thank you, Chair. Not a question, but a request. It is a question, I guess, if the group can...or the County can consider naming this Creative Technology Center after Mattie Yoshioka. I would really appreciate that. I appreciate that consideration. I know there are a lot of names out there, but I know Mattie was the spearhead behind this project and I think gratefully I would ask for that consideration.

Chair Furfaro: Excellent recommendation. You can do that in the event of something we put on the table and send to KEDB. Excellent.

Mr. Costa: Thank you. Moving right along. I want to acknowledge as I mentioned earlier, we partner with a lot of organizations and businesses and these are just a few like the Chamber, Kaua'i Planning and Action Alliance, Visitors Bureau, Royal Coconut Coast Association, and we cover a large gamut of organizations that really help us to achieve a lot of these projects. As far as our Fiscal Year 2014-2015 goals, some of them are already in place and we are looking to continue those. I chair the Mayor's Crime Task Force. We have been meeting for four years now. It involves the Police Department, the Prosecuting Attorney's Office, the Visitors Bureau, and many business organizations. We meet every month and I am proud to say that this past Legislative Session we introduced a Bill, a live video testimony Bill 2475. It was deferred, but we are very...we are going to be very proactive in trying to achieve that. That Bill, what that does is that it helps with our visitors. They are targeted and they are victims of crime and all too often, they return home on the mainland and are unable to come back to testify against perpetrators. So I know we have a tough road ahead, but we are hoping to pursue this video testimony that hopefully can be done and help prosecute some of these criminals.

Also I work closely with the Hanapēpē Town and marketing with their Friday night event. I have been working on that for a few years now. We did provide some funds to the Hanapēpē Economic Alliance to help market not just the core area where the galleries are, but the entire town. The group has been slowly bringing more businesses into the fold, and including businesses that are west of the Hanapēpē River. So we are very thankful for that. Also working with the Hanapēpē Salt Pond Paakai Farmers Hui. We have been meeting with the traditional families that have been farming paakai or salt for generations and we want to work with them to see how we can maintain that area and protect them from outside influences like the homeless people and some of the feral cat populations, and really promote that cultural aspect of our island that is so important. We continue to support for the Kaua'i Marathon and the County Aid Station at that Marathon. We also implement the Ordinance No. 960, pesticide use and GMO crop enforcement is something that we are also working on as well. The Mayor's Holo Holo 2020 Plan, what I have done was the Mayor started out with 18 initiatives. They have now grown to 38. Of the 38, the Office of Economic Development has about 20 of them. I will go quickly through them.

Many of these will be covered by either Ben Sullivan or Nalani Brun. Electrical Vehicle charging stations, the alternate energy...Kaua'i Energy Sustainability Plan. With Kaeo Bradford and Workforce Development, we work closely with the Kaua'i Community College and educational activities, Kaeo is a member of the Kaua'i Economic Development Board Educational Committee which works closely on STEM initiatives, which is Science, Technology, Engineering, and Mathematics. On the Agricultural front, the Islandwide Agricultural Park System, again we thank you for helping to support the Kilauea community with the Kilauea Ag Park, and we are looking at possible sites in Anahola, Kalepa, Kōloa, and Kekaha. Papaya Disinfestation Facility, again that initiative, we tried to...not every project that we undertake will turn out as a success. In this case, we did not have the papaya farmers that we thought we had. So now we are looking at this facility being utilized for another purpose. In Tourism, Nalani will go through these initiatives, which are part of her program and a lot of them have to do with restoring and preserving cultural sites and stewardship programs to preserve these cultural sites. Also, I mentioned Hanapēpē Friday Art Night, that I have been involved with. Nalani has been involved with the Kapa'a First Saturday. We are starting to see other towns in our community creating events to spurn interest not only in the town but create economic development. We are also looking at area shuttles in the North Shore, Po'ipū, and the Royal Coconut Coast. We have been working with some of the resort destinations as well as with the Transportation Department and with Lee Steinmetz who is our Transportation Planner and coordinating the North and South Shore Transportation study.

I will go right into the Agricultural piece. Kaua'i Food Hub, you know, we had talked about combining several of our initiatives, one was the Multi-Species Processing Facility that started out as a slaughter...looking at a new slaughterhouse and morphed into a multi-specs species processing facility and then it partnered up with the commercial kitchen and then we started looking at a Kaua'i Food Hub. Unfortunately, what we found over the last year as a blessing in disguise is that part of our feasibility study, both slaughterhouse operations, Andrade and Sanchez have embraced those studies and have now advised us that they want to pursue on their own an expansion of their operations which took the need of the County initiative out of the picture. That is what we like to see which is the private sector develop these initiatives. The Kilauea Ag Park again, mahalo to the Council for your support. Feral Cat Study that was just concluded. The final report has been sent to both the Council here and to the Mayor for review. Peter Adler, who was contracted over a year-ago convened several members of our community and met, I believe about seven times throughout the last six months. They came up with recommendations, which is part of that final report. One of the recommendations was to have an Ordinance licensing cats and again, thank you to this body, who actually achieved that goal. Continuing on for next year, Kilauea Ag Park, I will be working very closely with the Kilauea Neighborhood Association and that entity on completing their...helping them to complete their organizational structure, and the next steps of developing that agricultural park.

Chair Furfaro: George, excuse me, I want to make sure that the time from now until August as it relates to the Ag Park, you are focused on the details of the Stewardship Agreement and the insurance, naming the County as co-insured. So I wanted to be very clear and clean when we get to the August update.

Mr. Costa: Yes.

Chair Furfaro: Thank you.

Mr. Costa: To that note Malama Kaua'i has submitted their certificate of insurance naming the County as co-insured. That part has been completed. They are working on their governance and by-laws.

Chair Furfaro: I want to make sure that their certificate of insurance, the amount, naming the co-insured for the County of Kaua'i, and the amount is equal to of at least \$2 million. I want to make sure it is reviewed by the County Attorney's Office.

Mr. Costa: Okay.

Chair Furfaro: Then we can move right along. We are looking for that. We are looking for that in August.

Mr. Costa: Again, working with the Sunshine Markets, we passed the amended Administrative Rules for the Sunshine Markets. Again, it is a matter of utilizing our resources, both Bill Spitz and myself and now we have incorporated Melissia Sugai. What we have been doing...I have already started inspecting questionable farmers or vendors in the market. So we are proceeding with that. We believe we are going to create some opportunity for real farmers to be in the market by eliminating the non-farmers. As I mentioned, we will continue working on Ordinance No. 960. With that, I will turn it over to Glenn Sato to present the Sustainability portion of our presentation.

Mr. Hooser: Chair, again, process are we going to do questions at the end or should we interrupt as we go forward?

Chair Furfaro: This is what we are going to do. We are going to ask very specific questions and not talk about philosophy at the presentations and now we have now rescheduled three Departments already and we are going to be running out of time. So specific questions, let me know and I will recognize you. But if we go on with philosophical pieces we will not make it because we have Civil Defense coming up.

Mr. Hooser: It might well be philosophical talking about Agriculture and seeing two pages, duplications that could probably be on one page including the Feral Cat Study. That is disappointing. I understand the resources and the limited availability. I do not see Mr. Spitz here.

Mr. Costa: No, he was not able to attend. I am presenting the Agricultural piece for him.

Mr. Hooser: You look at the Tourism presentation and pages and I know Tourism is very, very important and we have page after page and the same with Energy and I would like at some point in the future for you to come back with Mr. Spitz and talk really about Agriculture and fill in the blanks. It is kind of thin. If you could add in the Hawai'i Farmers Union into your list of resources also. Ray Maki that is the organization that is now active and should be on that list. Thank you. Thank you Chair.

Mr. Costa: Okay. Just to address your questions. We were asked last year, we took five hours and two days to do our presentation that was a lot more detailed and so we have really streamlined that information. I am more inclined to do more than less but it is what it is.

Mr. Hooser: Perhaps we will schedule something like that in the Committee in general about that.

Chair Furfaro: I am going to say it again. We did not have to wait until the budget to get an update on the Feral Cats. We did not have to wait until the budget to get an update on Agriculture. Please understand, we are here every day for three weeks, touching on the numbers of a budget that needs to be sustainable. We cannot go in and give each Department a half a day or a day to discuss philosophies. I am telling this not just to you George, but to all Departments, if you have major philosophical changes you have to let us know and I will make calendar time for you. Fair enough?

Mr. Costa: That is fair.

Chair Furfaro: Okay. Joann?

Ms. Yukimura: I too am looking for more substance in the description of the programs so we can understand what we are asked to fund. I see these as budget questions and I did think this week as I looked at what we were going to cover that we probably did not give you enough time. We will probably do a follow-up, because I understand the scope of your Department's work or your Office's work is huge and very critical and important. So we can understand what we are funding.

Chair Furfaro: George, I want to make sure that everybody understands I circulated this calendar a month and a half ago and got no feedback from anybody. Let us move and I will give you some more time here, but this is a budget review and we have every week time to put things in Committee as we build up to this. Kaeo was coming by today and we had an hour with her. Is this a follow-up to the budget or follow-up to questions that were posed on Workforce Investment?

Mr. Costa: Actually both. There was a request to provide a little bit more information on what she does, but she is prepared to talk about the budget.

Chair Furfaro: Maybe we are not is what I am saying on the other things. Maybe we are only prepared to talk about budget okay?

Mr. Costa: Okay.

Chair Furfaro: Continue.

GLENN SATO, Sustainability Manager: Good afternoon, Glenn Sato, Sustainability Manager. Let me go quickly through my program. If you look at slide 26, those are the 2013-2014 goals and objectives that we accomplished. We completed the County operations sustainability plan. It is an administrative internal document and it is being kept as a working draft so we can continuously update and improve it. It is posted on the Office of Economic Development website. If you go to that website, you can call it up under "sustainability" under "programs." The County Green Team has been very active, Staff Level Green Team we have done a bunch of projects. Just to highlight, we had some residual grant funding and we replaced 21 refrigerators, saving estimated annual savings of \$7,459 a year. So we are looking at roughly a 1.67 per year payback. We created disposables to reusables and we have these loaner kits with dishes, cups, forks, utensils, and napkins. With those three kits each kit services 25 people. So if you put them together, you can service a group of 75 people. Boards and Commissions has used that for

some of their gatherings. Workshops, conferences, we have loaned them out to various Offices. The Green Motor Pool we have three Nissan Leafs and one Prius available, so about 85 County employees and out of those 85 employees, admittedly about a dozen consistently use the cars. I think as we progress forward with the bigger Motor Pool concept, and we start to shrink the fleet, we will have more users. The people that have been using the cars have really come through that it is a very unique experience and they like it. The Virtual Reuse Room. This is basically a Craigslist, an ability to post slightly used items on the website with a picture and description so other Offices that might have use for those items can make contact with the owner of the items, and basically trade. A Virtual Reuse Room versus the physical reuse room. The Virtual Reuse Room allows us to have desks, chairs, file cabinets, as long as the poster is willing to hold those items for a while. It has been working. Our Office has moved some file cabinets, padlocks, file folders, index cards, so it is working and it is saving funding, County funds. We also work to make the two major County employee functions Spooktacular and Holly Jolly to be zero waste events using compostable plates and forks and what not. A lot of my time is also working with the OED Energy Specialist, because Energy is such an important component of Sustainability. If you look at the next 2014-2015 what is coming up it is pretty much a repeat of the County Operations Sustainability Plan. There are 42 initiatives listed that came from the different Offices and Agencies. Right now we are working on 25 of those. Anywhere from the energy initiatives that Ben will be speaking about, to having recycling bins in all Offices that can handle more than just the regular things that have been recycled. The County Green Team, we hope to continue building the Green Team. Right now we have 15 members. We hope to increase that, by two, three, or four every year. County sustainability metrics, that has always been a challenge and we hope to continue to improve the metrics. Ben when he come up will explain a lot of initiatives that he is starting that will help to improve the data collection. Gasboy was phased out and Fuel Master kicked in May 2013, so we are just waiting for the data to be collected to the point where we can use like an annual amount and look at it that way. At the same time on the island and State-level, there have been a lot of initiatives happening. The State just hired a State Sustainability Coordinator, Jackie Kozak Thiels who works out of the Department of Land and Natural Resources (DLNR) Office. Hawai'i Green Growth has started a measures project which we are participating in. Maui County is forming actually a Sustainability Division. City and County of Honolulu has a Sustainability Coordinator. The Big Island is also filling...they are going to dedicate an Economic Development Specialist to also handle Sustainability. At the same time, we feel comfortable enough that we would start to seek grant funds for sustainability projects.

Mr. Costa:
Brun.

Thank you Glenn. Next we will have Nalani

Chair Furfaro: We are going to ask some questions. George, I want to tell you, you are on page 26 out of a presentation that is 85 pages. We have not even gone through the other narrative. You are going to get the last two hours on the schedule which is going to be from 2:30 p.m. – 4:30 p.m. on April 22nd. At this rate, do I really want to know when Maui is going to hire somebody? Is that really part of our budget review? Very questionable to me. We need to stay very focused. To the members, I am also going to say to you, in the new format and this has been evolving many times. I set-up the 24th and the 25th so that you have individual time to meet with our Staff so you can be briefed on certain numbers, questions that you have, and so forth. We are now going to leak into those two dates. Who has those two dates cleared in your schedules? If you do or do not right now, because I am running out of dates. You have both days cleared on your

schedule JoAnn? Not both? Well this was the intent. Does anybody else...I just want to ask that question. You were not told, but you could have read, it is in my memorandum.

Ms. Yukimura: Sorry.

Chair Furfaro: George, we are going to go forth. You have it clear?

Ms. Yukimura: I have it listed as a budget call-back.

Chair Furfaro: George, we are going to go to Q&A on everything, but if you need to send Sue Kanoho away and reschedule her for 2:30 p.m., because you are not going to make it here. 26 pages...we are on page 26 of 85 and we have not gone to our other narrative. Let us stay to pertinent operational issues that deal with the operating cost related to the County budget.

Mr. Costa: Okay.

Chair Furfaro: You have two more hours however you want to use it on the 22nd is fine. Questions, JoAnn, you have the floor.

Ms. Yukimura: I just want to share that in Finance, the IT people, they had really detailed, written descriptions of their programs and their pieces and they actually read the whole thing to us, but it was extremely informative. So if you have a PowerPoint, but can back it up with some detailed programmatic explanations and so forth, it really helps us. These are real generalities here, and it is hard to understand what is going on. But for the Sustainability section, I wanted to know what metrics are we using both County and island wide? Not just County operations, but island wide metrics for sustainability? And County operation metrics for sustainability? Let me just preface that by saying that I do commend you on your Green Team. I really feel like you are beginning to change the internal culture of the County with people reusing...using reusable dishes, there are some real great detailed ways that you are shifting how people operate in the County. So I really appreciate that. I think we need to measure. Just like the United Way billboards on the highways that tells us how much we are doing or not doing? Because otherwise we do not know if we are progressing at all?

Mr. Sato: If you look at this narrative, not the PowerPoint, but the budget narrative. It talks about the Hawai'i Green Growth measures project. The reason why I pointed out that last bullet island wide and Statewide initiatives is to let you know that some of my travel funding is tied to that. On a Statewide basis the Hawai'i Green Growth group and the neighbor islands are trying to come together with the State Sustainability Coordinator, to develop Statewide metrics. We want everybody to be on the same page. It is going to take some time, but we just started the project. We just started and, in fact we have had two meetings so far. It is on page 13.

Chair Furfaro: I commend you on that. That is better luck than we have to even talk to the State about Transportation. They will not even talk to us.

Mr. Sato: The State Coordinator is really exceptional Jackie Thiel.

Ms. Yukimura: I am glad to hear that.

Mr. Sato: She is based in DLNR, but as I started in Economic Development on grant funding, she is on a temporary funding. We are kind of fighting to get her established. But even with that over her head, she is coordinating all of the efforts. She is putting a lot of work into it.

Ms. Yukimura: Well, I am glad for that, but I do not think we should wait for the State. I mean we must have at least three to five basic indicators and certainly electrical kilowatt usage is one that I expect Ben will address. Are there not some other basic indicators that we can track and start looking at our performance?

Mr. Sato: We are in terms of vehicle miles traveled. We are using...we are working...the initial consultant assistance to develop operations plan, we worked with Kaua'i Planning and Action Alliance and Diane Zachary as you know has a lot of experience with indicators. So for saying that, as you mentioned for energy, kilowatt hours used, for vehicles it would be vehicle miles traveled.

Ms. Yukimura: Why are we not seeing a graph up here that shows the last...I do not know two years or five years?

Mr. Sato: Ben is going to show you some graphics on County energy use. Unfortunately I have had a hard time with the fuel usage because of the gap with Gasboy and Fuel Master.

Ms. Yukimura: That is it understandable. Vehicle miles traveled that is a good indicator and kilowatt hours you used as an island and County. What else do you have as a good indicator?

Mr. Sato: It depends on what section, what area you want to concentrate on?

Ms. Yukimura: May I ask that next year you have two to five main sustainability indicators and give us a report on it?

Mr. Sato: Sure.

Ms. Yukimura: Thank you.

Chair Furfaro: Will you yield the floor to Mr. Kagawa. He has been waiting for questions for Glenn, JoAnn?

Ms. Yukimura: Yes.

Chair Furfaro: Go ahead, Mr. Kagawa.

Mr. Kagawa: Thank you, Chair, I heard what you were saying, we would like to get that long presentation, but perhaps during budget we want to get into the numbers and when I look at their budget, the total budget goes up \$415,000 over last year. The area that it goes up is this account called "other services" and so I think they briefly could explain what is the justification for spending \$400,000 more in other services? Just quickly a few, just to get maybe some suggestions perhaps for the call-back is that we have...I cannot really count how much it is, 50-60 of these in "other services" and

perhaps one way you could do it for the call-back is to put an asterisk next to each one that is a new grant. What you have in the prior year and in the current year. So you have this compared to last year's. So we can see which ones went up or down? I think for most of them we just look at them and we are kind of familiar with those and most of them are small. But I think for me, I just want to ask one specific in regards to KVB, Sue. We have \$275,000 and this is the largest grant that we give. I understand that this is our bread and butter, tourism. What is last year's appropriation for KVB?

Mr. Costa: \$110,000. That is what Sue is here for, the last slide is summarizing what the difference is. Our overall budget is over by \$444,000. Part of it is the Visitor Industry marketing piece and the other piece is \$100,000 for the Ag Park.

Chair Furfaro: So your variances are reported on page 82 of the packet of 85 pages.

Mr. Costa: Right.

Mr. Kagawa: Scott just showed me. We have the sheets. So I will analyze these and end my questioning. So the reason why we need to spend more is that we feel like we need to attack that market more in this year? Or is it lack of funding from the State?

Mr. Costa: Well, both. We are looking at a softening of the visitor industry market, and also there are several needs to promote the culture and some of the infrastructure projects that we want to help support.

Mr. Kagawa: I certainly saw the report from...what did we project...I certainly agree the way you attack a down-market is with good marketing. Good luck. There are a lot of areas fighting for tourists, but Kaua'i is a beautiful place and with a good attack strategy I think we can bring them here.

Mr. Costa: Thank you.

Mr. Kagawa: Thank you, Chair.

Chair Furfaro: We are in Glenn's area.

Ms. Yukimura: I am not finished.

Chair Furfaro: Let me finish what I was saying. Are you going to bring up individuals? Is Glenn staying up here and Ben coming up next?

Mr. Costa: The plan is for Glenn to finish up his Sustainability and next is Sue and Nalani to talk about the visitor industry because most of the variance is there.

Chair Furfaro: Anything that Glenn is talking about is not overlaid with Ben's role?

Mr. Costa: No. Ben is specifically Energy and he is prepared to discuss that.

Chair Furfaro: Continue with your questions with Glenn.

Ms. Yukimura: Thank you. I want to know what our learning is from the electric car project? Do we have any report on that? That is Ben's area? Okay, I will wait for Ben.

Chair Furfaro: Mr. Hooser, question? Any more questions for Glenn? Okay. So George, you want to bring up KVB?

Mr. Costa: Nalani and Sue Kanoho.

NALANI BRUN, Tourism Specialist: Aloha, Nalani Brun from the Office of Economic Development. Tourism Specialist and my sister from another mother, Sue Kanoho, Executive Director of Kaua'i Visitors Bureau. I am going to take heed your advice and really quickly go through our accomplishments. Probably the biggest one because we have been up here before with our different projects. Our biggest one really is in our Office. We have great staff members support. Now having our Economic Development Specialist II and our Administrative Specialist, and also our County Accountant has just been great because we have just been thrown so many projects in different ways and all kinds of projects that we have kind of juggling constantly. I am constantly dropping balls and these guys are so good, they pick those balls right up and they help us re-juggle them back in there. Having a team like that, and I feel like I am Sue Kanoho with a really great team.

Chair Furfaro: Nalani are we starting on page 29?

Ms. Brun: Yes we are going to start on page 29.

Chair Furfaro: Is it the PowerPoint or the narrative?

Ms. Brun: I am going with the narrative.

Mr. Costa: It should be reflecting the same thing.

Chair Furfaro: We just want to know which we are following.

Ms. Brun: Okay.

Chair Furfaro: You want us to follow your Economic Development package?

Ms. Brun: Yes.

Chair Furfaro: Okay.

Ms. Brun: So in the narrative on page 26 is our goals and objectives for next year. Basically pertaining to the budget and this year we kind of really went to...because we do a lot of surveys to really try to make things measurable. There are objectives and what I will try to accomplish and they are tied to the different line items in the budget. Basically we have the Kaua'i Festivals and events website. That is really important for us, because we have used that pretty much to try to help all of the different events and festivals and projects out there to gauge each other and stay away from each other or work with each other. So it has kind of been a big communication effort for all of

us. Those are the three objectives that we will do with the money, including getting that website used by more of the *kamaaina*. Also in our County CPEP and HTA grant program. We do that every year and we are happy to say that we got the go ahead for 2015. So for another year, we are going to have funding. So we are going to go out for another round of grant requests and we want to make sure that we hit at least 35 new events for the year. Of that, our second objective is to make sure that five of them are product-oriented, not just festivals or events which are kind of one day or one week, but there are things that last throughout the year. The new part of this over in the budget, you will see that we have money for Hawaiian culture, a chunk there for "other projects." We are hoping not only to go out for RFP for festivals and events, but also for our Hawaiian culture projects. We have had a lot of opportunities with HTA to go after their money, but so many people apply that Kaua'i just does not get a lot of money. So if we are able to put a little money in the pot to fund some of those great projects that are not funded by the Hawai'i Tourism Authority. Same thing that we do with CPEP, we can also do with that money.

Chair Furfaro: Am I reading that on page 14?

Ms. Brun: Page 26 HTA and CPEP training.

Chair Furfaro: I went to your Tourism page that starts on page 13. But you want me to go to Page 26.

Ms. Brun: I went right to the budget.

Chair Furfaro: Got it.

Mr. Costa: What we did, we did goals, objectives, and accomplishments for this year and goals, objectives, and accomplishments for next year. So what we are on is goals, objectives, and accomplishments for next year.

Chair Furfaro: You have two Tourism sections.

Ms. Brun: Yes, one is what I did last year and one is what we are planning to do next year. We have the CPEP training programs and we put those on every year. We watch what is going wrong or what people need more help in and then gear our programs towards that. This year was a lot of social media and again, we drilled in zero waste programs. So we kept bringing people in and training them and giving them tools how to implement that and we measure it when we go out to the events to see how they are doing and if they are progressing. We have little steps. They start with the blue recycle bins and taking steps to get more and more to the zero waste end of the line. That is our goal. We are working on new surveys. A lot of our programs cross into the business world like first Saturdays and we want to take a look at what economically is happening in the towns. So we not only do visitor satisfaction, and those important things where they come from? How much they enjoyed the event? But we also want to look at the economics of it. How much are they spending and are they going into the businesses? This year we are going make a big effort to take the surveys well in an event that is happening in the middle of a town. So we have a few of those that do that. So we are planning to implement that as part of one of our objectives. I also support the Kekaha Host Community Benefit program which are different grants that they give to the community. I am their grant person for the paperwork. The paperwork goes in and out of my office and if something goes wrong I birddog it so it is fixed. We have the Kahua O Kaneioulouma and right now they are work through their two grants they have. They are closing up one and working

with the other. They actually should be done with everything by the end of this summer. They have taken on the worst part which is the cactus area. So they avoid that, like I would, so they will be doing that last, but they have feverishly working at it since the end of February. Kaua'i Nui Kua Papa which we are planning to launch on May 30, where we are going to be putting up the moku signs up. We are moving from the research phase into the actual signage phase. We have some money that we have in there to finish that up. They are kind of behind closed doors right now, the whole team, writing grants and they have something like \$4 million of grants that they are writing at this moment that is due on April 26th and they are going to be going after the funds that they promised to go after. You will see that that is in the budget, the Kaua'i Nui Kua Papa money. Hanapēpē Salt Ponds, that is one of our Holo Holo 2020 projects. Luckily George has been managing that for now, thank goodness. We are planning to look at the visitor industry plan again. It is until 2015 so we are going to be bringing someone in to help us re-look at it. Not to do the whole thing but to pull out what we have accomplished and what we need to accomplish further. We always have other OED grant projects that are kind of line itemed in. One is the big Halauola Conference which is coming in July and is very important to all of us. We are actually getting a chance to host it and we want to show off. We have the Kaua'i Tahiti Fete, that is coming in and that was ours a long time ago. Big Island took it and now we are kind of just borrowing it back for a while. They are going to come back and do some educational programs this year. So we are hoping to help support them bringing that back every so often so we can enjoy that. The other big project that we are going to be doing is kind of identifying all of the projects that we wanted to do in each of the mokus. We have some of them identified like in Puna, we want to support the work in Huleia and look at having a better plan for Wailuaahoano in Wailua. We have Kaneiolouma and Hanapepe Salt Pans out in Kona. We are feverishly looking at other projects in the other mokus and our goal this year is to come up with best probable projects that we can do in the next four years and get them done. Last, but not least our happy airport greeting program. We did put money back in there to get that going again. It is a headache. I mean it is a headache with the badging, but we are definitely constantly getting kudos for the program. So we just cannot deny that. People do love it and it is a great way to keep the people calm when they are in the airport. Last, but not least I turn it over to my sister for our Kaua'i Visitors Bureau piece which is a big chunk.

Chair Furfaro: Is there any money from last year, page 14, over to this year, page 28? Ending on page 28? Is there any money...grant money that you have in there that fell through or you will not be spending or needs to be redirected somewhere?

Ms. Brun: We have some from HTA, but we redirected to first Saturday because they were having the worst program and I had to get agreement from the selection committee to do that. Other than that, I am pretty much out.

Chair Furfaro: I am just raising that because I do not see any money for the hula festival.

Mr. Costa: I carved out \$5,000 from our emerging industries for that and I have conveyed that to Kehau for the application form to apply for that grant.

Chair Furfaro: Nalani, thank you very much. I just wanted to ask that question.

SUE KANOHO, Executive Director, Kaua'i Visitors Bureau: I will go at lightning speed. I want to review the line items in the budget for us.

Chair Furfaro: Which page? Do I go to the PowerPoint?

Ms. Kanoho: The PowerPoint, 39?

Ms. Brun: PowerPoint 39 and narrative 28.

Ms. Kanoho: So for the kamaaina marketing we want to keep kamaaina marketing in our sights as opposed to just waiting for the downturn in the economy and based on what Ross Kagawa said, definitely we are starting to eek in to some that. That is going to be needed. So we have that at \$30,000. MCI support is up to \$50,000 and I want to point out the reason why that is. One is that I noted before the Hawai'i Tourism Authority funding has dropped off with the marketing side of it and each island is doing more incentive type of opportunities with the businesses coming in. So we have not done that and would like to do that, so we have upped that from last year. Maui, Big Island and Oahu are all look at giving incentives to the groups that come in and we have not been doing that. We would like to get banners and try to do some things if you book so many room nights that we will do a hula halau or something like that. KVB Road Show is focused on our gateway cities and more support for our gateway cities and marketing. Bridal show, \$20,000, with the romance, we have two shows that we do in Los Angeles, keeping the romance side of life going. Kaua'i Marathon at \$50,000 for this year's race, which would be in September.

Yes, meetings convention and incentives (MCI), that is the meetings market. So when I say MCI, I mean the meetings market. The Iwaki Marathon money at \$5,000. We have an exchange program with our Sister City Iwaki in Japan. We send our winner of the Kaua'i Marathon to Japan and Japan sends their winner to the Kaua'i Marathon. We both have an exchange program. That is \$5,000 to cover their air, transportation, and lodging. Then something new for us, and we have not done in probably over ten years, is the AVP Volleyball Tournament and looking at the possibility of securing that with the professional volleyball at Kalapaki. I have been on the phone with them and they very interested and it would be something that has not been done in a long time. The Aloha Video is a project that we are trying to get back to some of the values, what is great about Kaua'i besides the natural beauty is the people and we were thinking if we could do a series of videos that would really touch back to people's core values of who we are as an island and really try to share that more. It is kind of beyond brand marketing, but more about the people of Kaua'i. I think it would help not just for the visitor industry, but the community as well. Photography, and that is being used in the WIR and NACo Conference coming up that we have secured and we have a requirement of a 10% Admin fee that gets us to \$275. Any questions?

Chair Furfaro: Mr. Rapozo?

Mr. Rapozo: The sports marketing, Kaua'i Marathon we had last year?

Ms. Kanoho: Not in my budget.

Mr. Costa: It is in our Office of Economic Development budget.

Mr. Rapozo: It was and then it was moved over to your budget?

Mr. Costa: Yes.

Mr. Rapozo: I thought we were done with the Marathon funding already. I thought they had outlived our commitment for the Marathon? I see it here again.

Mr. Costa: Well, it is an event and I realize that was one of the goals to have that event become self-sustaining.

Mr. Rapozo: It was their commitment, their promise it would be self-sustaining and their promise that they needed "X" amount of years. I think that had been a pretty controversial issue. I mean is that something that we are going to continue to fund? I have a problem with that.

Mr. Costa: Well, we would like to continue supporting that event, but at the same time, we are working with them, so that they look for other funding sources like HTA. Unfortunately, HTA, like with some other requests that we have applied, has not come through.

Mr. Rapozo: Like HTA, the County of Kaua'i is struggling as well. Again, most of us here know the history of that funding and the whole discussion we had and the assurances that this was going to be the last one. I realize the importance of that, but it is hard to justify those kind of events. We are telling people that we have to raise their taxes. So I am just saying it is going to be rough. For me, anyway. Thank you.

Chair Furfaro: Before I recognize Mr. Kagawa, let me ask you something, what are the moneys in your budget transferred over to Sue's budget, which is money that came from us? What was the original commitment?

Mr. Costa: The original commitment was three years.

Chair Furfaro: Three years and this is year what?

Mr. Costa: This is the 5th year.

Chair Furfaro: I almost could tell you that I indicated that I am okay with it if we had to give them one more year and I met with them and told them at some point you need to hustle for another sponsor. So we have gone from three years and extended it to four and now you are telling us it is maybe five.

Mr. Costa: Five, right.

Chair Furfaro: I just wanted to get that picture in my mind here. Mr. Kagawa.

Mr. Kagawa: Thank you, Chair. So the Kaua'i Marathon, has the numbers been going up or going down from off-island?

Mr. Costa: It has steadily been increasing. The overall participation.

Mr. Kagawa: How much came from off-island last year?

Mr. Costa: Let us see?

Ms. Kanoho: I would say almost probably 75% is off-island, when you say off-island you mean off Kaua'i?

Mr. Kagawa: Yes, off Kaua'i.

Mr. Costa: Kaua'i actually set a record last year with 600 participants from Kaua'i and the rest, 1,100 came from off-island, either outer islands or out of state.

Mr. Kagawa: The numbers are steady you said or going up a little?

Mr. Costa: Slowly going up. The total participants have been increasing each year.

Mr. Kagawa: Well, I think if we can maybe garner some of what has succeeded with the Honolulu Marathon, I think for that one, that is a money-maker for them. I certainly would love to support even more, but the numbers have to justify and if the amounts of the increase is small, perhaps they need to have some input from you. What month is it?

Mr. Costa: Usually Labor Day weekend.

Ms. Brun: August 31.

Mr. Kagawa: One of the things that we could think about is have a special bon dance around that marathon date that could possibly bring in some of the Japanese runners, making one big one, like all the Hongwanjis together with the Okinawan Festival does once every two years. That could be an annual one. I know for me, I think that bon dance can be tapped a little more. There are all nationalities that love dancing and jumping in the ring and the more we can, I guess, use that as a marketing tool, I think it can help. I am not saying it will help in the thousands, but everything helps in the competing markets.

Mr. Costa: Right.

Ms. Kanoho: Thank you.

Mr. Costa: Thank you that is a great suggestion.

Chair Furfaro: I want you to know that Mr. Kagawa is a pretty good marketer. It is a brilliant idea. Brilliant. Let me ask one question before I turn it over to Mr. Hooser. The Marathon is there and MCI? MCI is targeted for only three hotels on this island.

Ms. Kanoho: Maybe 5?

Chair Furfaro: No, three. It follows on the fact that the Federal government has taken so many tax credits away from companies, to promote conference and incentive work that it is no longer a deductible from their travels. I am just saying, I want to be real about that shrinking to a few room inventories of only a few hotels. You have \$50,000 and I am just saying is that earmarked for us as a destination? It does maybe include a couple of the smaller hotels because the St. Regis, they do not even have a Banquet and Catering Manager anymore. They are just purely high-end FIT, they are not MCI anymore. We have got Hyatt, Marriott, and maybe the Sheraton Kaua'i.

Ms. Kanoho: Kaua'i Beach Resort and Waimea Plantation Cottages from an association standpoint do...

Chair Furfaro: When Kaua'i Beach Resort finally fixes their meeting facilities, there will be an opportunity to throw them in that pack. This is the upper end of corporate incentives. Mr. Hooser.

Mr. Hooser: Hi.

Ms. Kanoho: Hi.

Mr. Hooser: Nalani you did a great job. So you are the sole Tourism Specialist in the Office, is that your job?

Ms. Brun: That's me.

Mr. Hooser: And you get seven pages, quite a bit of details and charts and graphs and good information and we have one page, seven bullet points on Agriculture, including Feral Cats is one of the bullet points. You have kind of skimmed past the Agriculture and I have a Tourism question, but I would ask you Director to talk to our Agriculturalist Specialist between now and the time you come back and meet with the Farm Bureau and Farmers United and come up with something, in terms of plans for the future. It is a little troubling to see so little emphasis on Agriculture, just physical here today, paper, and money. I really want to send that strong message. I see Diane Zachary back there and I know she has been working on it. So if you could do that, I would appreciate that a lot. The Tourism is showing increase of \$485,000, right? That is what you are saying? What is the existing? What is the total Tourism budget?

Mr. Costa: Right now for Sue's portion as she mentioned \$110,000. This year, and we are looking to increase that to \$275,000, which she just presented. There are other initiatives that we look at, which are matching funds for our CPEP/HTA grants.

Mr. Hooser: Year-to-year in round numbers how much is the increase? The total?

Mr. Costa: Well, I had it broken down on that last slide, \$485,000 was the increase in that section.

Mr. Hooser: That is above and beyond how much?

Mr. Costa: Above and beyond...excuse me...

Mr. Hooser: What would be the base amount? If it is increasing by \$485,000?

Mr. Costa: It is usually about \$400,000.

Mr. Hooser: So it is going from \$400,000 round numbers to \$485,000 so it is more than doubling?

Mr. Costa: Right.

Mr. Hooser: The same question for Agriculture, what is the base? Going from...so the increase is \$100, what is the starting point?

Mr. Costa: Let us see, it is about \$200,000 is the base.

Mr. Hooser: So going from \$200,000 to \$300,000?

Mr. Costa: Right.

Mr. Hooser: Thank you. If I remember correctly during this budget year, we transferred several hundred thousand out of Kilauea Ag Park to cultural?

Mr. Costa: Right.

Mr. Hooser: I supported that. But it is further indications that we need to support agriculture more, I think and that it deserves it, given that we have taken several hundred thousand already. I would like to see this budget put some money back into agriculture above and beyond what is there, if you could possibly think about that and talk to Mr. Spitz and again Ray Maki of the Farmers Union or Jerry Ornellas to try to move that forward. Thank you both of you for your presentation. You do a fabulous job on Tourism, and my concern is that we have to...there are other areas that we are not doing such a good job and we need to push those a little bit. Thank you.

Mr. Costa: Thank you.

Mr. Hooser: Thank you, Chair.

Ms. Yukimura: So on the airport greetings program, I asked that we ask the State airport system if they could handle that? Did we make the request?

Mr. Costa: Yes, we did.

Ms. Yukimura: What was their answer?

Mr. Costa: They could not afford it at the time, but they are putting \$8 million into the Līhu'e Airport.

Ms. Brun: They made a stage. That is what they did. They made a stage and moved all of our equipment. I am hoping that is a sign that they are moving there. I have asked him several times can you put it in your budget? He said if I

put money in to put your entertainers on a stage. I said they could be your entertainers. So hopefully that is where we are going. It has been planted.

Ms. Yukimura: I would like to see the Lihue Airport budget, because they spend a lot of money and it seems to me this is part of the whole atmosphere of the airport and the building of culture, the cultural introduction, if you will. So it just seems like a really logical thing for them to put on and maybe we should just say we will do a match, with dollar for dollar. We will put \$1.00 for every \$1.00 that they put in because I see it as their responsibility primarily and they have an income source that we do not have. Then I just want to say we hear outside, Nalani, about the excellent work that you are doing and people are so thankful that you are there to help them navigate through the grants. What you bring then to us is really excellent. So this Kaua'i Nui Kua Papa and Salt Ponds are both right on in terms of how you can protect and enhance the Salt Ponds. The Kaneioluma Heiau is closing two open grants of over a million dollars. Those are not County moneys per se...are those the County's moneys that we allocated?

Chair Furfaro: Those are County moneys.

Ms. Yukimura: Oh, okay. I thought they were getting other grants in addition to that.

Ms. Brun: They are applying.

Ms. Yukimura: I have been very reassured by how they are using the moneys. So I am not at all concerned about those moneys and I am very excited about what is coming forth. I have to say that I am concerned about the Kaua'i Marathon, because I think we did say we are not making any more commitments of County money. So you know, it is a good program, but we did...I thought, do our part. I like the Aloha Video idea, Sue. Where will this be shown or how are you planning to use it?

Ms. Kanoho: The thought is and if you would like I would send you a couple of examples of what I am thinking. It would be in partnership with a non-profit on the island and Nalani and I have talked about this quite a bit...I do not know if you have seen a couple of the videos that talk about core values and it is just through like a little vignette. But I saw them and they made me cry.

Ms. Yukimura: That is good.

Ms. Kanoho: It takes a moment in your busy schedule and it just...if we could do a few of those with a spin on Kaua'i and the people and culture, I just think we are starting to lose what is special about Kaua'i. I know this is not 100% marketing per se, but in a way it is. Because a lot of why people come here is not only for the beauty, but the people and we have so much to share. I can give you examples of what we are trying to do.

Ms. Yukimura: I love that you are refocused on the values, because it is real here and underlies what attracts people to this island. So I think it is authentic marketing in the sense that you are taking what really is here, and sharing that in a way that people will brand Kaua'i, if you will.

Ms. Kanoho: I think it is a reminder for some of those who might have...either have not experienced it, the younger generation, perhaps, none of us here, of course.

Ms. Yukimura: I feel like The Garden Island is trying to do some of that by their features.

Ms. Kanoho: Right.

Ms. Yukimura: Ordinary local people who are so extraordinary.

Ms. Kanoho: Exactly, but like a step further.

Ms. Yukimura: The challenges are in short moments of it. Where are you going to use this?

Ms. Kanoho: You Tube as you know and Vimeo and all the other things. As you know, we could do presentations at marketing events and trade shows. There are all kinds of things we could use it for.

Chair Furfaro: I am going to take over at this point, good ideas. I would like say we have half an hour left today and I am making some decisions about the schedule, which is my authority to do so. Okay? On the 22nd, I want to give an hour's time to Ben and Energy. I want to give half an hour to Workforce Investment then. Okay? When is KPAA going to talk to us? Are they here to help make a presentation? Or enhance somebody else's presentation? What is the answer there?

Mr. Costa: Diane is here in support.

Chair Furfaro: It is your call, your Department and your budget. Is she going to make a presentation?

Mr. Costa: I would like to make a call and say basically our budget, every Department, every sector, OED, Administration, Energy, Sustainability and Film and Workforce all showed reductions from 2-10% this year. The only two Departments that showed an increase which was Tourism, which Sue just did and the Ag portion, the \$100,000.

Chair Furfaro: I am not asking you for a recap now you can give me the recap on the 22nd.

Mr. Costa: I would like to do is use this remaining time for Ben Sullivan, which I believe a lot of the Energy questions have come up.

Chair Furfaro: You are not going to do Ben in 20 minutes. You could do the Film people for 20 minutes, but I want to give Energy at least an hour. I want the staff to make a note, next year you get half a day. I want the flag raised early, the schedule went over weeks ago and next year we are going to plan on half a day. You have two hours now and two hours on the 22nd. Ben I hate to do that to you. You are on-island on the 22nd, but I want at least an hour on Energy.

BEN SULLIVAN, Energy Coordinator: Yes, sir.

Ms. Yukimura: Procedural question.

Chair Furfaro: I am not quite ready to take your questions, I am on procedural. Is that acceptable, the 22nd?

Mr. Costa: Yes.

Chair Furfaro: Okay. We can talk about Film now. Now JoAnn has a procedural question for me.

Ms. Yukimura: I am sorry, when are we taking up the Creative Technology Center? Pardon me? I heard that we were going to have a more extensive briefing.

Chair Furfaro: I want the consultant back, a date, very soon on a scheduled Committee or Council Meeting. George, I am going send this over in a memorandum to you and I want to say that Mr. Hooser on the 7th of May, I want to hear from the Ag people and I would like Bill Spitz here.

Mr. Costa: Okay.

Chair Furfaro: Because that will be a public hearing day on the evening of the 7th. Is that acceptable to you, Mr. Hooser?

Mr. Hooser: Yes, Chair. Thank you.

Chair Furfaro: Okay. So we will follow-up with Mr. Hooser on the agricultural activities. JoAnn, question for the Chair?

Ms. Yukimura: So I am fine with the Creative Technology Center being in a Committee, but I want to make sure that it will be before budget decision-making?

Chair Furfaro: Yes.

Ms. Yukimura: Okay, because it is a hefty budget item. So it is a budget issue.

Chair Furfaro: So I just want to make sure when you leave, you are prepared to understand that I want to have Ag scheduled for the 7th in the earlier part because we get into public hearing and decision-making that evening. If I cannot fit it in on the regular schedule, be prepared for the Technology Center on the 7th as well. Okay? But I am going to try to squeeze it in during a Council Meeting. Ben thank you for your understanding. Ladies, thank you for your presentation. I want to hear from the Film Commission for the rest of your time today.

Mr. Costa: Okay.

Chair Furfaro: You did understand I am moving Workforce Investment to the 22nd?

Mr. Costa: Yes.

Chair Furfaro: Okay. Welcome Art.

ART UMEZU, Film Commissioner: Thank you. Aloha, Chairman Furfaro, Councilmembers, thank you for taking the time to listen to my presentation. First of all my presentation is based on page 37-39. On the budget narrative, which is on the screen. Page 37. Thank you.

Chair Furfaro: So back to the short book...which book?

Mr. Umezu: PowerPoint.

Chair Furfaro: PowerPoint.

Mr. Umezu: It is on the PowerPoint. Before I start, I had the latest issue of the Hawai'i Film and Video magazine which should be on your desk. It came out about 12 days ago while I was in L.A. So I decided to bring that and it has a really nice feature, a story about the pending Jurassic Park, which is still called "ebb tide" what the industry wants to call it, but I guess it is all over the media so it is alright to say that the official title of this fourth segment is Jurassic World. So I just wanted to preface that and there is also a nice story following my article about Jurassic Park and the film industry about this particular Japanese production. We did a promotion for the Japanese Ultraman which is an animated super hero from Japan, which Sue spearheaded. There is a nice article about that, which is in the current issue that is before you.

The goals and objectives and accomplishments for last year, it was a very trying year, but the first and foremost goal of this particular Office is to market Kaua'i as Mr. Kagawa said this is a beautiful island and my job is to promote this to the world and filmmakers as a premiere film location. With the 5% boost in the tax incentive, which kicked in last year it is very imperative that we market this and one way to market it is through the kuaifilm.com website. That is our key piece that keeps us together to market our beauty to the world. We are constantly and always trying to find ways to improve the website as we did recently with the help of Sue Kanoho, who has inputted some of our new film locations and movies that were filmed in the last 5-6 years. Including "Pirates of the Caribbean," "Soul Surfer," the Bethany Hamilton movie, "The Descendants," "Just Go With It," and the upcoming "Jurassic World," which is the fourth installment of the series Jurassic Park. Number two on the PowerPoint is that we do have a number of professionals on Kaua'i, the number has really not increased. But we have a solid team and these are the production and location managers that I work constantly with. I depend on them. But they also depend on this Office so I do the best I can to find opportunities for these people to find work. Number three, to work with organizers of the Hawai'i International Film Festival. As you know last year, after seven years of hiatus, I decided to bring it back, and it worked. It was an overwhelming success. It happened in October and November at three of our venues on Kaua'i. St. Regis, Kukui Grove Cinema and the Historic Waimea Theater and we do plan to bring it back this year again. Without the support of the volunteers and two of the event co-coordinators, or organizers, we would have never done this, but we are moving forward to having another Film Festival this year. As far as the Hawai'i Film and Entertainment Board, we used to have a monthly meeting. They still do. I am not able to participate as much essentially because we can do this on the phone as far as phone call-ins. We also have E-mails, texts, whatever it takes to cut down on expenses, but they have the HFBE Meetings that I attended last year and this year I

have not attended, but I plan to at least attend one or two again this year. The sales and marketing trip in Los Angeles happens every year at the AFCI which stands for the Association of Film Commissioners International which takes place in Los Angeles. Last year the numbers were not up, meaning that we have a booth that we collaborate with our four County Commissioners in Hawai'i. That includes the Big Island, Maui, Kaua'i, and Honolulu. We also have the presence of the Hawai'i State Film Commissioner Donne Dawson who is always there to support this endeavor to market at this particular event. Last year's number was not up as far as the filmmakers coming to the event, unlike this year's one, that I just returned from. However, last year, what was the key point about being at that particular sales and marketing trip through this AFCI was that I got to meet with people with the Universal Pictures who is producing Jurassic World. One person that I met at the marketing trip last year was, in fact, the production and location manager. He is now the location manager for Jurassic Park. She happens to have family on Kaua'i, and that does help. When she was supporting this particular movie eighteen months ago. I was able to meet with her and she assured that Kaua'i, after...if you remember in April of last year, with all the big buzz as far as having the movie filmed on Kaua'i, it was abruptly cancelled due to the re-scripting, which was re-scripted back in September last year. And now after six months, they are back on Kaua'i. So the market, Kaua'i is also part of the sales and marketing to Los Angeles. Last one is the Hawai'i International Film Association. That is predominantly producers and production companies on Oahu that deals with Japanese film productions, television, shows, and commercials. Because of the support that I received especially from Sue's Office, she does pretty much all of the groundwork to get a lot of these productions here. I handle all of the permitting on the island. If you look at the stats here, last year we had 32 productions. If you look at the fiscal stats, which is this one here we are looking at 28 productions, which is not reflected up there. However, if you look at the total, that is the expenditures, film expenditures on Kaua'i for the fiscal year. That is up through the current. However, with the pending Jurassic World production, which starts in the second week of May, that will be boosted up significantly. I am sure that Kaua'i crew meaning local people hired will increase dramatically. So this is the update to April 1st. But the numbers that you see up there, especially on the budget, if you go down, that is actually the expenditures of film and that will increase dramatically due to the one film production that is slated for next month on Kaua'i for at least 3-4 weeks. That is Fiscal 2013-2014. We will move over to...

Chair Furfaro: I want to clarify some terminology. George, this number represents the forecasted income to the island of Kaua'i?

Mr. Costa: No, this is the film budget that the productions that were actually here. That is what they presented to us. We have not confirmed the actual expenditure, but this is what on their film permit have indicated that they would spend here on the island.

Chair Furfaro: So what do we call that? It is their operating budget, but it is our forecasted income?

Mr. Costa: Income.

Mr. Umezu: Film expenditures.

Chair Furfaro: It is their film expenditures, but it is our income?

Mr. Umezu: Yes, it is. Thank you. Moving over to the goals and objectives.

Mr. Rapozo: I am not sure if that is our income.

Chair Furfaro: The island income.

Mr. Rapozo: Even that, we do not know. Because are they advertising in our magazines? Are they advertising on our TV stations or radio stations? I think what would be more...

Chair Furfaro: I see it now.

Mr. Rapozo: I think what would be more helpful for us and I think the Tourism Agency in Honolulu, I do not know what you call it, when it is one point something.

Mr. Costa: The multiplier.

Mr. Rapozo: Yes. There has to be a way that we justify what they are spending here because I am sure it is a lot of money.

Mr. Costa: This is expenditure that they claimed this they spent on the island.

Chair Furfaro: Mel is correct. That is what I said the first time. The fact that this TV series, reality shows, and so forth, that could be promotional stuff on other channels to promote the series itself?

Mr. Costa: Right.

Chair Furfaro: The other portion is the overnight and room nights and index spending on retail and so forth. So you need to clean that slide up a bit. JoAnn?

Ms. Yukimura: So this is their total budget for the films or is the budget for Kaua'i?

Mr. Umezu: For Kaua'i.

Mr. Costa: Just to give you an example. Clovis, the clothing company that you get the catalog, they spend \$150,000 to be here for a few days to photograph.

Ms. Yukimura: That is their hotel rooms, their cars, their food...

Mr. Costa: Right.

Ms. Yukimura: So it could be the next...next question would be of their budget how much did they actually spend here? Which might have been more or less of what they budgeted at the time that they applied for the permit, right? If you know

the categories you can figure out the multiplier effect. If you know how much they actually dropped on the island and for what purposes, you can figure out the multiplier effect.

Mr. Costa: Right.

Chair Furfaro: So George, we are in agreement, when we say "the budget" it is their expenditures.

Ms. Yukimura: On Kaua'i.

Chair Furfaro: I want to get clear is what is that as far as a revenue index forecast for us?

Mr. Costa: Okay.

Chair Furfaro: And we can send that over in a question.

Mr. Costa: Thank you.

Ms. Yukimura: I have another question.

Chair Furfaro: Go ahead.

Ms. Yukimura: So the Kaua'i crew, total crew is the people employed?

Mr. Costa: By those companies.

Ms. Yukimura: From Kaua'i. So it is not the number of productions. It is the number of people employed?

Mr. Umezu: Right.

Mr. Costa: What Art is saying there are 28 productions when you look between commercials, print ads, etc. 28 in total. So this is a summary as opposed to listing all 28.

Ms. Yukimura: Great. Thank you.

Chair Furfaro: It is a summary that leaves some additional need for information, George. If you could clean it up for us, with some definitions, we would appreciate it. Thank you. Go ahead, continue, Art.

Mr. Umezu: Thank you, skipping over to page 39. If you will, that is the goals and objectives for 2015. We will continue going back to trying to market our beautiful film locations. We will continue to monitor. We will improve our website, which is done by Tsunami Marketing on Kaua'i. As far as working with the film production and location managers, we have maybe half a dozen people that I count on and of course, there are a lot more specialists and professionals, but the key to any film production is initially you need location managers, who understand the island, where you can film? Whose jurisdiction it is. The film production handles more of the ground work once the production comes. So I do plan to implement what we did back maybe ten years ago, to

actually meet with these people to address challenges and trends and great, new ideas that we may need or that I may need to get their input in trying to market this beautiful island as a film location. The Film Festival, the number three, Mr. Lambert who was the Assistant Director when I worked with him nearly a year and a half ago is now the Director. He has been promoted and appointed the Director, a former Kaua'i resident. He is very, very supportive of Kaua'i and he is moving forward to get the films to Kaua'i through the International Film Festival. It usually happens in the Fall. So we are looking at September/October.

Chair Furfaro:

You need to wrap it up.

Mr. Umezu: I will wrap it up with this. I just returned from the AFCI location for the first time it happened in March. This is one of the reasons I am scrambling because usually it is mid-April or June, this year it was March. I just returned from there. One of the things that I really learned from this particular trip whether you are at executives or not, they are looking forward to coming to Kaua'i. To film something, but of course, the script, without the script, they cannot come here. So I identified one person who scouted on Kaua'i last year, his name is Shannon Akegarasu, he is with Philote Factory. He actually came to the booth to mention that he is going apprise me that there is going to be a film called "Hanalei Bay" which is a Japanese feature film. They scouted here last year and they are in the development stage getting the finances together. The script which will be written in English, as opposed to Japanese and looking forward to them coming to Kaua'i next spring is what I understand. Thank you.

Chair Furfaro:
minutes.

Any questions for Art? We have about three

Ms. Yukimura: I appreciate how you quantified your goals and objectives, but you say that the Film Festival was successful. How many people were in attendance? That kind of detail would give us a sense of where we have been and where we might be going.

Mr. Umezu:

Absolutely.

Ms. Yukimura: You say, this is great, book at least 12 film productions as a result of your marketing plan. I like the fact that you creating a marketing plan. But you know, how many were booked last year and then it is not even a matter of numbers and you could book one big "Jurassic Park" and make up for 28. So some inputs that could give us better idea of what you are aiming at.

Mr. Umezu: Case in point is exactly that. Last year we had pretty much a regular year of having smaller productions. Then in September, we had MTV here for seven weeks and that alone created \$3.8 million in revenue. Not revenue, but expenditures, if you will.

Ms. Yukimura: Good. Then do you, like Sue, get feedback in terms of how Kaua'i is viewed? What kind of issues people have either positive or negative about filming on Kaua'i? Do you have a formal process like a survey?

Mr. Umezu: The State Office, because in light of the bird issue in September, we had some issues with the new law implemented two years ago, regarding the lighting at night-time. We did have some issues. However, when that

happened, because it is new to me, too, I actually went to the location. Six nights in a row to monitor the lighting at night they had some lighting.

Ms. Yukimura: Well, I am thinking about a more systematic way. If they had a bad experience, they may just not come back and you will never know why.

Mr. Umezu: You are right.

Ms. Yukimura: Or if you get a lot of good feedback you could use it in your marketing and I was wondering if there is a systematic way?

Mr. Costa: As in an exit interview or survey?

Ms. Yukimura: Yes and Sue is an expert in it and maybe she can help.

Mr. Umezu: Thank you.

Chair Furfaro: Thank you very much. George I am going to make an executive decision and I want you to hear it very clearly. I am going to work with my staff and going forward, we are going to start asking you twice a year for a marketing update. Okay? This marketing update is going to be in February and August, just like you would do in the hotels with a reforecast and I want to hear about marketing ideas and so forth. To tie up our meeting...I like all the things that Art is doing, but when people are thinking about ideas and they might come, we should be hearing that in a report. It might be a real good time to coordinate that with KPAA when they do the economic indicators, the measurement piece. You know, I would like to develop that with you to going forward. We have a couple of discussion items before we actually get in the budget. Then kind of before we end the year, get kind of an update on things that we have learned and things that could change our strategic thinking and so forth. Because I just think we need to do it, if not taking all of this in the scope of thinking it is an operational issue and not giving you the right justification. Things like Transportation, Energy, cost controls, things like that, do not need to be in the marketing and strategic update. But I think a good time to do that is a long with our economic indicator update. I am going to work on that and communicate to you. For right now, we are planning and I want everybody to realize now, May 7th is going to be a very full day if we follow-up on the agricultural piece and specifically the Creative Technology Center. We also have to deal with all the money bills before that night and that night we have the public hearing. We also have you scheduled back on the 22nd at approximately 2:30 p.m. and we are going to allocate an hour for Energy, half an hour for the Workforce Investment, and then follow-up on the visitor question. Are you fine with that?

Mr. Costa: Yes.

Chair Furfaro: Okay. Now what we need to do is take a caption break and when we come back, we are going to Civil Defense. Economic Development is recessed until the 22nd.

Mr. Costa: Thank you.

Chair Furfaro: Thank you, everyone. Caption break 10 minutes.

There being no objections, the Committee recessed at 3:34 p.m.